

Sweco  
Sustainability  
Report

2021



Transforming  
society  
together

SWECO 

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### Sustainability Report

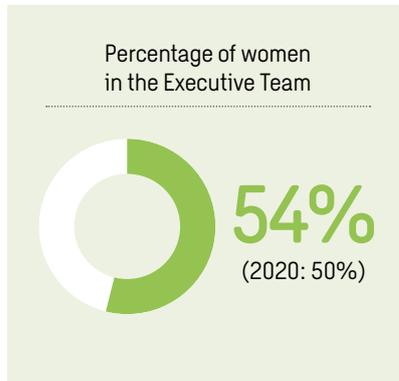
This report is part of Sweco's 2021 Annual and Sustainability Report where it is presented on pages 18–65. The report comprises Sweco's statutory Sustainability Report in accordance with the Swedish Annual Accounts Act. The Sustainability Report has been prepared with inspiration from the guidelines of the Global Reporting Initiative.

### Cover image

Sweco is involved in developing and designing a new district in Ørestad, south of Copenhagen. The project applies a unique approach to sustainability and will set new standards for sustainable construction. UN17 Village will be one of the first projects to translate all of the UN's 17 sustainable development goals into concrete actions in one building project. UN17 Village has been developed by NREP in collaboration with Sweco Architects, Lendager, MOE and CG Jensen.

Production: Sweco, Elli Production, Bellbird and Åse Bäckström.  
Translation: Smooth Sailing Translation.  
Photos and illustrations: Anna W Thorbjörnsson, Dawid Linkowski/Olivia Centre, DBOX/BentallGreenOak, Getty Images, iStock, Kruunusillat/Helsingin kaupunki/WSP/Knight Architects, Måns Berg, Nina Kaverinen, Patrick Degerman, PhotoAlto/Alix Minde, Rogier Boogaard, Stefano Boeri Architetti, Steffen Schulte-Lippert, Sweco, Sweco Architects and Tim Meier.

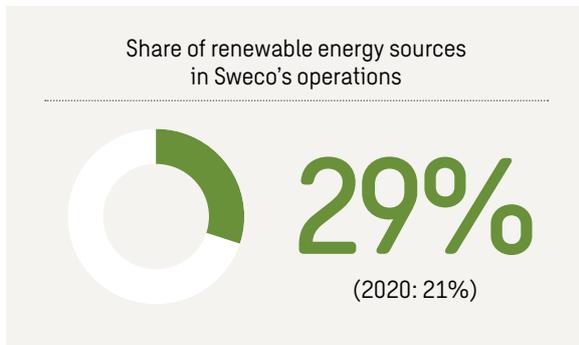
# Progress 2021



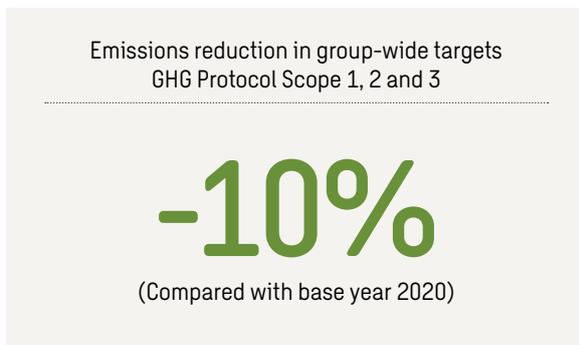
**90%**

of Sweco's leaders are considered excellent managers by the employees  
(2020: 88%)

Sweco's group-wide goal is to have **climate neutral operations by 2040** and to halve emissions by 2030, compared with 2020.

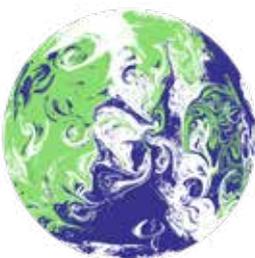


**Zero**  
confirmed cases of corruption during 2021 and 2020



# Five transformative trends driving development

The communities and cities of tomorrow are facing major changes. As Europe’s leading engineering and architecture consultancy, Sweco has great responsibility – and great opportunities – to actively support a sustainable transformation. We combine market monitoring with the experience from our extensive project operations to identify new business opportunities, assess potential risks and ensure that we have the right expertise.



### From “ambition gap” to “implementation gap”

The progress made at COP26, the UN’s climate conference in Glasgow in November 2021, provides the potential to limit global warming to below 2°C if commitments are translated into climate action. The most important results include completion of the Paris Rulebook, increased funding for developing countries, more detailed mechanisms for emissions trading and a higher level of ambition for climate work. The substantial amount of funding required to achieve the Paris Agreement’s goals is facilitated by

the fact that more and more capital is being directed in a sustainable direction. In Glasgow, USD 130 trillion was pledged for climate adaptation by representatives of 450 banks, insurance companies and investors. We are entering a new phase of climate work, with countries turning promises into action. To move from formulation of ambitions to immediate emissions reductions, the necessary climate measures need to be implemented without delay.

### Accelerated transformation

The UN's Global Goals for Sustainable Development (Agenda 2030) and the Paris Agreement have secured international support and are focused on accelerating the transition towards sustainable societies and fossil-free economies. The world now needs to shift from agreement to implementation of solutions in the areas of energy, industry, mobility, buildings and infrastructure. Mitigation and adaptation prompted by climate change will be major transformation drivers in coming decades. This creates great business opportunities, but also challenges in the form of structural market adjustments, energy price volatility and goal conflicts regarding environmental impact and permit processes.

### Renewable energy and electrification

The EU's Renewable Energy Directive was tightened in 2021, raising the renewable energy target to 40, rather than 32, per cent by 2030. The binding targets for reduced energy consumption were also tightened. Among other things, the public sector is required to renovate buildings with a focus on reduced energy consumption and lower costs. The phase-out of fossil fuels alongside the electrification of transport and industry is driving investments in renewable energy production, electricity grid expansion and energy storage initiatives. Fossil-free hydrogen in particular is expected to play a key role in future sustainable energy systems.

### Circular economy

The industry, property and infrastructure sectors are increasingly interested in circularity due to rising raw material prices, stricter climate goals and more proactive policies on the part of the EU and its member states. Industrial symbiosis is emerging, with co-located operations that make efficient use of waste streams and are part of integrated energy flows. New buildings are designed for future re-use of materials and products. Retrofitting improves performance and extends the life of existing buildings. This creates new business models, partnerships and the need for large amounts of data from the entire life cycle.

### Welfare and social sustainability

Focus is on social sustainability when urban development is pressured by the political unrest, alienation and economic uncertainty that are exacerbated by the pandemic. Government investments in public welfare, in the form of stimulus packages and restart budgets, have explicit sustainability and climate transition requirements. Designed as a post-disaster recovery, "Building Back Better" has influenced European politics and is considered as the way forward after the pandemic. A rapid climate transition also raises social challenges as the labour market shifts away from the fossil fuel economy and high energy prices put pressure on both businesses and households.

### Europe tightens its steering

The EU is to be climate neutral by 2050 and to reduce its climate impact 55 per cent by 2030 compared with 1990 levels. In 2021, the European Commission presented an action plan for financing sustainable growth that will set the course for climate neutrality. Measures include an expanded emissions trading system, reduced subsidies for fossil fuels and a system for carbon tariffs. Another major area under development is the EU's taxonomy for sustainable investments that aims to enable the identification and comparison of environmentally sustainable economic activities. While major uncertainties remain as to how the taxonomy will be applied, extensive work has begun to map activities in relation to the taxonomy's definitions.

### Impact on society and our business

Transformative sustainability trends impact society at large and our clients' operations. They represent significant drivers that surge the demand for Sweco's expertise and services with the potential to contribute to transforming society, for example through planning and designing the sustainable communities and cities

of the future, efficient transportation infrastructure and sustainable energy solutions. Through active business strategy development, Sweco analyses the impact of external factors, addresses potential risks at an early stage and develops its operations in the direction required by both client demands and changes in the business environment in all the markets we operate in.

# Sweco's approach to sustainability

Sustainability is an integral part of our business. Together with our clients and employees, we shape the sustainable development of tomorrow's communities and cities. It is in our client projects where we can identify the most innovative solutions and make the greatest difference. We also attach importance to being a forerunner within our own business operations.

Solving the greatest societal challenges of our time is more relevant, demanding and inspiring than ever before. It is also an important reason why our employees choose to work with us. At Sweco, experts with different perspectives and knowledge gather to take advantage of innovation and technology development and, together with our clients, contribute to the best solutions from all dimensions – environmentally, socially and economically.

## **The UN's global goals permeate Sweco's operations and client projects**

Sweco's approach to sustainability is based on the UN's 17 Global Goals for Sustainable Development, SDGs, which are to be achieved by 2030. We work with the goals linked to the specific challenges that exist in each client project and in the transformation of our own operations. Collaboration between our different areas of expertise means that we can evaluate different factors and implement the most sustainable solution.

## **Integrating sustainability enables long-term growth**

Sweco's stakeholders expect stable and long-term growth through sustainable development of our business and operations. At Sweco, we are convinced that the greatest growth potential for the company is created by integrating the sustainability perspective into our own strategy and operations as well as into client projects. By ensuring that we have the expertise that is in demand in the market, we enable our business to grow while clients and the society at large are gearing on a sustainable path. Integrated sustainability work is the prerequisite for us to deliver on our strategy over time, strengthen our position in the market and at the same time live up to our basic values.

## **Greatest impact opportunity in client projects**

The climate transition and investments in emissions reduction will intensify in the future. At Sweco, we have an important role to play in the transformation. Our broad expertise in architecture, building construction, urban planning, energy, industry and transport is further strengthened by the accelerating digitalisation and technological development. With 18,000 experts performing 100,000 assignments in many places around the world, it is in our client projects that we have the greatest opportunity to influence and contribute to a more sustainable societal development.

As consultants, we do not own the projects we are hired for. Although the climate impact from the projects we are involved in falls outside our formal climate responsibility, it is self-evident for us to take on responsibility for actively integrating sustainability into the projects. Measuring our sustainability impact in client projects is a prerequisite for delivering data-driven sustainability management to our clients and for optimising sustainability performance. It is also one of our biggest challenges due to the great complexity of measurability.

The projects we carry out each year have varying client requirements and conditions for what sustainability is and how we as consultants best contribute. To further explore how we best quantify sustainability in client projects, we have initiated several collaborations where we, together with established players, develop measurement methods for the sustainability impact in the projects. Examples of this are our collaborations with the World Business Council for Sustainable Development (WBCSD) and the Federation of Swedish Innovation Companies.

## Sustainability at Sweco

Sweco actively pursues sustainability work internally, concentrating on three focus areas: a sustainable workplace, reduced climate impact and strict business ethics.

### Employees

Sweco is an international workplace with an inclusive culture rooted in collaboration. Our goal is to have the industry's most capable employees and be an attractive employer for current and prospective employees.

*Read more about Sweco as a workplace and our employees on pages 22–29.*



### Climate and environment

Sweco supports the Paris Agreement, and we aim to achieve climate neutrality group-wide by 2040 and halve emissions by 2030 compared with 2020 levels. We have also initiated the process of having our climate targets validated and approved by the Science Based Targets initiative, in line with scientific models for achieving the targets of the Paris Agreement. With our 2040 group-wide target set as the minimum level, each business area can develop even more ambitious emissions reduction targets and action plans for achieving these targets. Sweco's climate targets cover direct, indirect and other indirect emissions according to all three scopes in the Greenhouse Gas Protocol, GHG.

*Read more about Sweco's climate work on pages 30–32.*



### Ethics

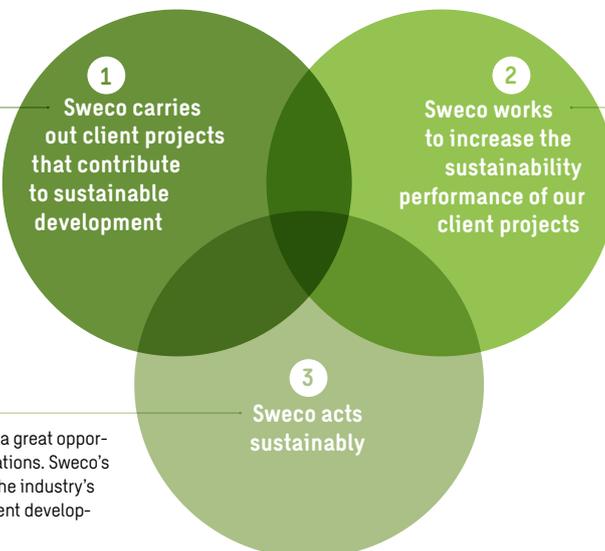
Sweco's credibility in society is invaluable to us. We set high standards in our business ethics framework to ensure that our employees and business partners deliver value according to the same principles. This is detailed in our Code of Conduct, which employees and business partners commit to comply with.

*Read more about Sweco's business ethics and compliance on pages 34–36.*



## Three perspectives on sustainability

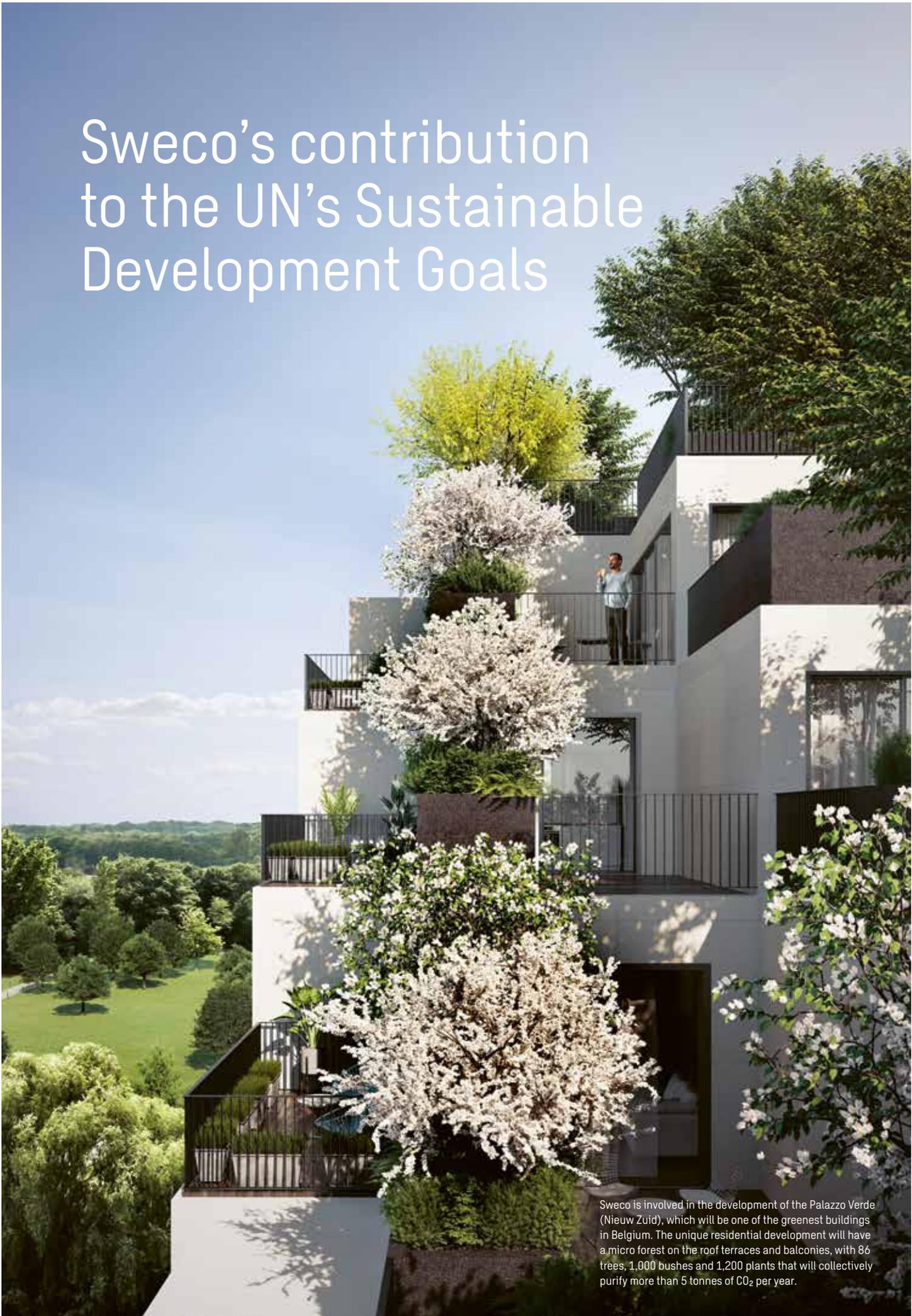
We contribute to a sustainable transformation by, for example, ensuring access to clean water, designing resource-efficient and resilient buildings, reducing climate impact from cities and industries, developing renewable energy solutions and preserving biodiversity.



Our ambition is to always do a little more than what the client requests and contribute with our expert consultants to enhance business and sustainable solutions in client projects. We ensure that our consultants have the right skills and tools to optimise the projects' sustainability performance.

As experts in sustainable transformation, we also have a great opportunity to act sustainably within our own business operations. Sweco's goal is to be climate neutral by 2040 and always have the industry's most competent employees with high standards for talent development and business ethics.

# Sweco's contribution to the UN's Sustainable Development Goals



Sweco is involved in the development of the Palazzo Verde (Nieuw Zuid), which will be one of the greenest buildings in Belgium. The unique residential development will have a micro forest on the roof terraces and balconies, with 86 trees, 1,000 bushes and 1,200 plants that will collectively purify more than 5 tonnes of CO<sub>2</sub> per year.

At the UN summit in September 2015, world leaders agreed to 17 global goals designed to be a blueprint for countries around the world to stimulate and achieve sustainable transformation by 2030. Sweco works actively with the 17 goals for sustainable development, and in client projects we contribute our expertise to most of the agenda's 169 targets. This is confirmed by the results from Sweco sustainability training sessions conducted in 2021 where 3,850 employees assessed that all the 17 global goals, to various extent, are relevant for their work at Sweco and in client projects.

We have identified five goals as the most business-critical to our operations and those we as experts have the greatest opportunity to influence, in creating a more sustainable future together with our clients.



**BUILDINGS AND URBAN AREAS**



Sweco offers a holistic planning and design approach for tomorrow's buildings and landscapes. Social sustainability is an essential element of our approach, with the goal of creating a more equal society with the citizens as the focus point. We also offer solutions to reduce cities' climate impact, create circular flows and adapt to climate change. We endorse biodiversity by planning ecosystem services in our cities, working with green and blue infrastructure, conducting environmental analyses and protecting nature against invasive alien species.

**WATER, ENERGY AND INDUSTRY**



The transformative drivers for sustainable development are leading to an increased demand for modern technical solutions. With our combined expertise, Sweco contributes to living environments that are not harmful to man and nature. Sweco's experts work in projects including the transition to more renewable and efficient energy systems, smart electricity grids, transforming industry to meet future needs as well as reducing hazardous emissions, recycling waste and ensuring access to clean water.

**TRANSPORTATION INFRASTRUCTURE**



In this segment, Sweco works with solving cities' and regions' future transportation needs. Sweco's experts work on projects that include the planning and construction of new railways and tramlines and the design of public transport and pedestrian and bicycle paths. Sweco also works with digital mobility services such as MaaS (Mobility as a Service) and LaaS (Logistics as a Service) and helps the EU coordinate and plan new infrastructure.

# Materiality analysis and stakeholder dialogue

Sweco works proactively with the sustainability topics that are most material for our business operations and our stakeholders. These topics are evaluated and selected on an ongoing basis from an economic, environmental and societal perspective.

In 2021, Sweco conducted a new materiality analysis that provides insights into the topics and long-term targets that we should prioritise and implement. The analysis is based on continuous stakeholder dialogue, online surveys, observations from strategic analyses, and Sweco’s strategy and business plans. The sustainability topics included in the assessment were taken from Sweco’s Code of Conduct, internal strategies and the UN’s 17 Global Sustainable Development Goals.

The results show that Sweco’s strategic focus areas regarding sustainability remain aligned with stakeholder expectations as well as the areas where we have the greatest opportunity for positive impact. The following sustaina-

bility topics were given highest priority: climate change mitigation and adaptation, waste and circularity, and urban planning. Climate change mitigation and adaptation in particular is considered a prioritised sustainability topic, one that impacts the external environment and is expected to drive demand for Sweco’s services and expertise.

Compared with last year’s analysis, waste and circularity, digitalisation, and transport and mobility were given somewhat higher priority. Within social sustainability, recruitment and talent development were identified as prioritised sustainability topics along with health and safety and diversity and gender equality.

## Most relevant sustainability topics



### Stakeholder dialogue

Stakeholder engagement is a prioritised area for Sweco. The ability to plan and design tomorrow's sustainable communities together with our clients, employees and business partners is based on long-term, open dialogue. As a decentralised organisation, stakeholder dialogue is conducted on many levels – from Group level to project level.

Stakeholder dialogue is carried out in various ways and includes the Annual General Meeting and analyst meetings with owners and investors, performance reviews with employees, and collaborations with clients, suppliers and trade associations.

	Key sustainability topics for stakeholders	Forums for dialogue
Investors and owners	<ul style="list-style-type: none"> <li>• Ability to implement solutions for a sustainable transformation in society</li> <li>• Identify and analyse sustainable investments (EU Green Deal and the EU taxonomy)</li> <li>• Ethics and anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Quarterly reports and annual report</li> <li>• Investor and analyst meetings</li> <li>• Stakeholder surveys</li> <li>• Press releases</li> <li>• Sweco's website</li> </ul>
Clients	<ul style="list-style-type: none"> <li>• Integration of sustainability into company's business model</li> <li>• Climate change mitigation and adaptation</li> <li>• Energy production, consumption and emissions</li> <li>• Leverage potential for circular economy</li> <li>• Digitalisation and technological progress are essential for delivering sustainable solutions</li> <li>• Social sustainability in client projects</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing dialogue in client projects</li> <li>• Seminars, client events</li> <li>• Client and stakeholder surveys</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Sweco as sustainability forerunner in its own operations and in client projects</li> <li>• Sustainability as a key dimension in talent acquisition and retention</li> <li>• Diversity and gender equality</li> <li>• Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Close dialogue with managers</li> <li>• Performance review</li> <li>• Internal training</li> <li>• Skills development through client projects</li> <li>• Employee surveys</li> <li>• Communication via intranet</li> <li>• Office meetings, seminars and conferences</li> </ul>
Trade associations	<ul style="list-style-type: none"> <li>• Sustainability is increasingly regarded as industry-critical in the transport, energy, construction, property and manufacturing industries</li> <li>• Cross-industry sustainability initiatives and knowledge transfer to promote sustainability</li> <li>• Increased awareness of climate adaptation and how this is integrated with climate change mitigation</li> <li>• Tightened EU requirements and directives accelerate sustainable transformation</li> </ul>	<ul style="list-style-type: none"> <li>• Membership and involvement in various trade associations</li> <li>• Participation in networks and working groups</li> <li>• Stakeholder surveys</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Adaptation of procurement processes to environmental, economic and ethical requirements</li> <li>• Climate change mitigation and adaptation</li> <li>• Sustainability requirements and compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing dialogue</li> <li>• Sweco's Code of Conduct</li> <li>• Supplier evaluations</li> <li>• Stakeholder surveys</li> </ul>
Government authorities	<ul style="list-style-type: none"> <li>• Legislation, targets, procurement criteria and requirements are key drivers for delivering from a sustainability perspective</li> <li>• Permit processes are essential for sustainable transformation in many industries</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings with authorities, researchers and politicians</li> <li>• Participation in working groups, seminars and lectures</li> </ul>

# Sustainability governance

Sweco's sustainability work is integrated into our business operations. All employees are responsible for this work and make an important contribution to it, internally as well in client projects. Governance and monitoring of sustainability work is adapted to the decentralised organisation and follows the same structure as other Sweco group-wide operations.

## Decentralised sustainability work

Sweco's President and CEO holds overall responsibility for Sweco's work with sustainability and has delegated the management to the business area presidents who are responsible for implementing and monitoring sustainability strategy, targets and governance locally. An example of this is our group-wide target to achieve climate neutral operations by 2040. In accordance with our decentralised model, each individual Sweco market has set its own targets, with the requirement to serve as a forerunner in that country and meet or surpass each country's national targets.

At Group level, sustainability work is managed by the Chief Sustainability Officer (strategy development), General Counsel (business ethics and compliance) and Chief HR Officer (employees, health and safety). Sweco has established a Sustainability Council, headed by the Chief Sustainability Officer, to coordinate the management and governance of sustainability-related issues in the Group. Group organisation was enhanced in 2021 with the addition of a Head of Sustainability Communications.



**Audit and monitoring**

Audit and evaluation of sustainability work is aligned with Sweco’s internal control and audit procedures and is conducted on the business area level along with monitoring of other business targets. The outcome is aggregated at the Group level. The Board of Directors is updated quarterly on sustainability issues, and sustainability is part of the Board’s annual strategy days.

**Sustainability training**

Sweco’s outlook is that our decentralised business model supports employees and clients in ambitiously developing their sustainability work in line with the Paris Agreement and the UN’s 17 Sustainable Development Goals. Our employees have direct contact with our clients in their daily work, and therefore have maximum understanding of the project and the authority to take on responsibility and drive change.

Our goal is to always have the industry’s most capable and committed employees. Sustainability skills are continuously developed in projects and through internal training, seminars and conferences. E-learning on sustainability, diversity and business ethics is offered by most business areas as part of the introduction programme for new Sweco employees as well as the general training development.

**Regulations and policies**

Sweco’s Code of Conduct is a central steering document for the company’s work with sustainability. It specifies Sweco’s basic outlook on our responsibilities in society to ensure responsible conduct by Sweco employees and business partners. The Code encompasses climate and environment, business ethics, privacy, employee development, communication and information security, human rights and labour rights. The Board of Directors adopts the Code of Conduct annually and each business area is responsible for the implementation and monitoring of compliance.

All Sweco employees are responsible for complying with the Code of Conduct and are encouraged to report any deviations or violations. Compliance with the Code of Conduct is monitored monthly with all business areas and annually through performance reviews, employee surveys and internal and external audits.

Sweco reports on its sustainability work in accordance with the Swedish Accounts Act based on the EU Non-Financial Reporting Directive. Sweco also has a number of policies in place with internal guidelines and management systems that ensure systematic work with sustainability.

In 2021, business areas transitioned to the ISO 45001 business management system for health and safety, which replaces OHSAS 18001.



# Risk management

Climate change and the transition to a decarbonised economy involve risks as well as opportunities for Sweco. We work continuously and in a structured way to identify, assess and manage climate-related risks as an integral part of Sweco's overall risk management.

Sweco's 2021 risk report is presented on pages 130–131 in our Annual Report and includes risk assessments with regard to sustainability. Sweco is also reporting climate risks pursuant to Task Force on Climate-related Financial Disclosures, TCFD, recommendations. This work is ongoing and will entail in 2022, among things, testing the resilience of our strategy in relation to various climate-related scenarios based on scientific reports from the IPCC and in accordance with TCFD recommendations.

In addition to its long-term ambition to support global climate targets and achieve climate neutrality by 2040, Sweco has an opportunity

and a responsibility as an architecture and consulting engineering company to reduce climate risks and actively support climate mitigation and adaptation in our client projects.

What is described as a risk may therefore also present an opportunity, based on the climate transition solutions our consultants contribute in client projects.

Pursuant to TCFD recommendations, our climate-related risks are divided into two categories: risks related to the transition to a fossil-free economy (transition risks) and risks related to the physical impact of climate change (physical risks).

Transition risks	Risks	Opportunities
<p><b>Regulatory</b> Global challenges drive changes in policy and legislation and can result in new laws and regulations that may affect Sweco's business. In general, regulatory sustainability requirements for Sweco's operations are increasing.</p>	<p>Inability to deliver due to rapid and far-reaching changes in policy and legislation may result in Sweco losing tenders and contracts, incurring higher costs or suffering reputational damage. Furthermore, insufficient competence or inadequate knowledge-sharing can have a negative impact on Sweco's competitiveness and client deliveries.</p>	<p>Increased demand for consulting services regarding, e.g., environmental regulations, permit processes, emissions reporting, analysis of climate risks, taxonomy and climate effects.</p>
<p><b>Technological</b> Many risks associated with the climate pertain to the transformation of carbon-intensive technologies, such as extraction of coal, oil and gas, traditional steel production, all forms of traffic and transport, vehicle manufacturing, buildings and properties.</p>	<p>Technological climate risks are deemed to be low for Sweco. However, the digital transformation is a key element in our business development, which is compatible with operational and financial risks if we fail to implement digitalisation internally and in client projects.</p>	<p>Sustainable transformation drives technical development and consulting demand within wind power, hydrogen and other renewables, smart grids, energy storage, mobility, transportation infrastructure, fossil-free steel production and circularity.</p>
<p><b>Market-related</b> Sudden and unexpected changes in the market and economy affect our business and that of our clients.</p>	<p>Higher and more volatile energy prices, increased emissions costs and changes in the valuation of assets can, in combination with other macroeconomic factors, impact the pace and scope of clients' sustainable transformation.</p>	<p>Market-related risks are generally associated with opportunities, with sustainable transformation requirements driving demand for Sweco's expertise within climate change mitigation and adaptation.</p>
<p><b>Reputational</b> In addition to its main goal of reducing our impact on climate change, Sweco's climate work is designed to strengthen Sweco's position as a forerunner in transforming society. This creates high expectations for our sustainability work and results.</p>	<p>Failure in meeting established climate targets for our operations is a reputational risk and may impair our ability to attract clients, employees and capital. Accelerated climate change, different degrees of sustainability maturity in our markets and the inability to quickly calibrate the business to meet the market requirements for sustainability expertise and services, can have a negative impact on Sweco's position as a forerunner in the sustainable transformation.</p>	<p>With a forward-looking approach, Sweco can be a forerunner in the sustainable transformation by taking responsibility for the way we run our business, securing needed expertise and strengthening the climate benefits of our consulting in client projects.</p>
Physical risks	Risks	Opportunities
<p><b>Acute risks</b> Unforeseen and extreme weather events</p>	<p>Direct physical climate risks are deemed to be low for Sweco. Indirect effects may be a stress on clients' businesses and tangible assets, which affects ongoing and planned client projects.</p>	<p>Sweco helps improve understanding of the way climate change can affect clients' businesses and the concrete measures that should be prioritised in projects to strengthen resilience.</p>
<p><b>Chronic risks</b> Changes in precipitation patterns Rising average temperatures Rising water and sea levels</p>		

# Sweco and the EU taxonomy for sustainable investments

Sweco is covered by the EU taxonomy regulation that is part of the EU's Action Plan for Sustainable Finance and the Green Deal. The taxonomy entails a classification system for environmentally sustainable activities, financial products and services within the EU and aims to ensure that the financial sector receives common guidelines for identifying and comparing sustainable activities and investments.

## The EU taxonomy

In order for an activity to be classified as sustainable, it must make a significant contribution to one or more of the EU's six established environmental objectives, do no significant harm to any of the other five environmental objectives, and comply with the minimum social safeguards. Of the six environmental objectives included in the taxonomy, there are currently only technical screening criteria for the first two environmental objectives on climate change. As of 2022, the European Commission will adopt delegated acts for the other environmental objectives.

The EU taxonomy includes the following environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

For 2021, companies need to report the proportion of net sales, capital expenditure (CapEx) and operating costs (OpEx) that are eligible according to the EU taxonomy in relation to the environmental goals on climate change mitigation and adaptation. From 2022, companies will need to assess whether or not their economic activities are taxonomy-aligned, if they meet the technical screening criteria for environmentally sustainable activities.

### Outcome 2021

Sweco has identified taxonomy-eligible activities according to Delegated Act for Climate Change. These activities are primarily within transportation infrastructure, building service systems and energy performance of buildings, as well as services related to data solutions and programming.

About 35 per cent of Sweco's total 2021 net sales are eligible economic activities according to the EU taxonomy, where about 20 per cent is within infrastructure for road, public and water transport and about 9 per cent within infrastructure for rail. During 2021, around 42 per cent of the total CapEx are eligi-

ble activities according to the EU taxonomy and of that, about 31 per cent relates to acquisition of new offices and 10 per cent relates to investments in fossil-free car fleet. About 34 per cent of the OpEx are eligible activities according to the EU taxonomy, including primarily activities related to internal projects in research, technical development, innovation and sustainability activities in Sweco Sweden.

### The EU taxonomy and Sweco's client projects

In a large number of areas, Sweco is helping our clients in projects related to climate change mitigation or adaptation in sectors such as water, energy and industry. However, not all of Sweco's services are included and are therefore not considered taxonomy-eligible activities in EU taxonomy regulation. Only our client's activities are included in the way the taxonomy has defined some of the activities. For example, the production of fossil-free steel is taxonomy-eligible, while Sweco's services providing design and engineering consultancy services for that steel plant are not considered to be taxonomy-eligible.

Around 65 per cent of total net sales during

2021 are non-eligible activities. This includes net sales within energy, industry and manufacturing, water and waste management activities as well as design and engineering services within buildings and urban areas. There are also economic activities that Sweco provides services within but that are not (yet) covered by the EU taxonomy, such as agriculture, manufacture of pulp and paper, manufacture of food and beverages.

Around 58 per cent of the total CapEx are non-eligible activities. This includes all other investments, mainly IT equipment and other office equipment, and additions to assets through acquisitions.

For detailed information, see pages 42–43.

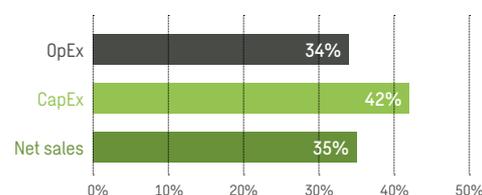
### Increased demand for consultancy services

Sweco's consultants are seeing an increased demand for mapping and climate risk analysis of clients' operations and economic activities in relation to EU taxonomy. Requested services comprise implementation of reporting formats and processes as well as assessments for adaptation of operations to better meet the criteria for taxonomy-eligible activities.

## Eligible and non-eligible activities (net sales)



## Eligible activities





Transforming  
society together  
with our clients

By combining our experts' perspectives, we can plan and design a more sustainable future together with our clients. Our dedicated focus and expert knowledge in sustainability is a long-term growth driver.



# Buildings and urban areas

Innovative and sustainable urban development is essential to tackle climate change and extreme weather conditions, while also improving cities' mobility, social inclusion and economic development.

Climate change increases the risk of extreme weather. In 2021, several European countries were battered by heat waves, forest fires and severe rainfall. Despite this, three-quarters of European cities have no action plan for managing climate change, according to the Urban Insight report "Planning for Climate Adaptation" released by Sweco. So there is great need for Sweco's expertise in urban planning, structural engineering, digitalisation and circularity.

## Data-driven approach

Sweco's consultants use digital tools in their complex calculations and visualisations of climate-related risks and costs for new construction projects as well as existing buildings. With our self-developed Carbon Cost Management service, we manage climate and cost as equivalent parameters in construction and infrastructure projects. Making a road one metre narrower or expanding the use of environmentally friendly concrete or wood are examples of measures for reducing a project's climate impact. On the whole, our working method often reduces material and energy consumption, producing direct climate benefits and reducing costs.

## Carbon Cost Management – climate impact and cost in one analysis

Sweco's service for Carbon Cost Management aims to reduce the climate impact in construction and infrastructure projects at a minimal cost through an integrated climate and cost analysis, studies, planning and recommendations. The service targets project managers and decision-makers in all private and public contexts where projects are decided. Carbon Cost Management counteracts down-prioritisation of climate issues and makes it clear that there is no conflict between climate and costs.

## Sustainable design

Sweco's architects and engineers design buildings and city districts that are aesthetically pleasing and permeated throughout with sustainability. Using meticulous life cycle analyses and sustainable design, we break through linear thinking processes and apply circular material flows with regard to the way construction materials are produced, recycled and re-used in construction as well as renovation and demolition.

Because we work with clients throughout the world, we are able to draw unique insights and share these across the company to the benefit of our clients. Our global knowledge bank, combined with local presence and proximity to clients, is a key to success.

## Architecture

Sweco's architects design buildings and environments for people to live, work and thrive in.

Examples of services:

- General architecture
- Landscape architecture
- Interior architecture

## Building Service Systems

Sweco's building service systems consultants create comfortable indoor climates in buildings and facilities.

Examples of services:

- Energy analysis and environmental certification
- Design of electrical, telecom and security systems
- Fire safety engineering and risk analysis
- HVAC and sanitation

## Structural Engineering

Sweco's structural engineers create buildings with a focus on safety and functionality, with loadbearing structures that harmonise with the design, the indoor environment and the client's business.

Examples of services:

- Steel, timber and glass structures design
- Building construction design
- Industrial structures design
- Construction economics

## Urban Planning

Sweco's urban planning experts harness the possibilities of tomorrow, providing everything from analyses and forecasts to completed master plans for new sustainable city districts.

Examples of services:

- Statistics and forecasts
- Analysis and strategy
- Studies
- Planning and design

## Project Management

Sweco's project managers are the link between the client's vision and the tangible implementation of complex urban development projects.

Examples of services:

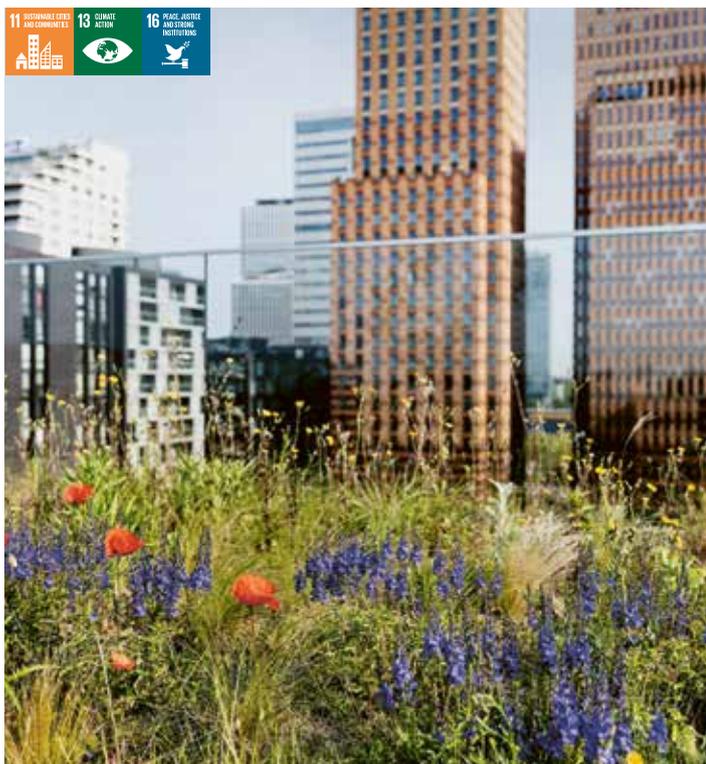
- Project and design management
- Property development and management
- Site supervision

## IT

Sweco's IT experts manage and process data, to streamline everything from transportation to water flows.

Examples of services:

- Systems development and big data
- Data coordination and BIM
- 3D visualisation and geographical analyses
- Strategy and operational support



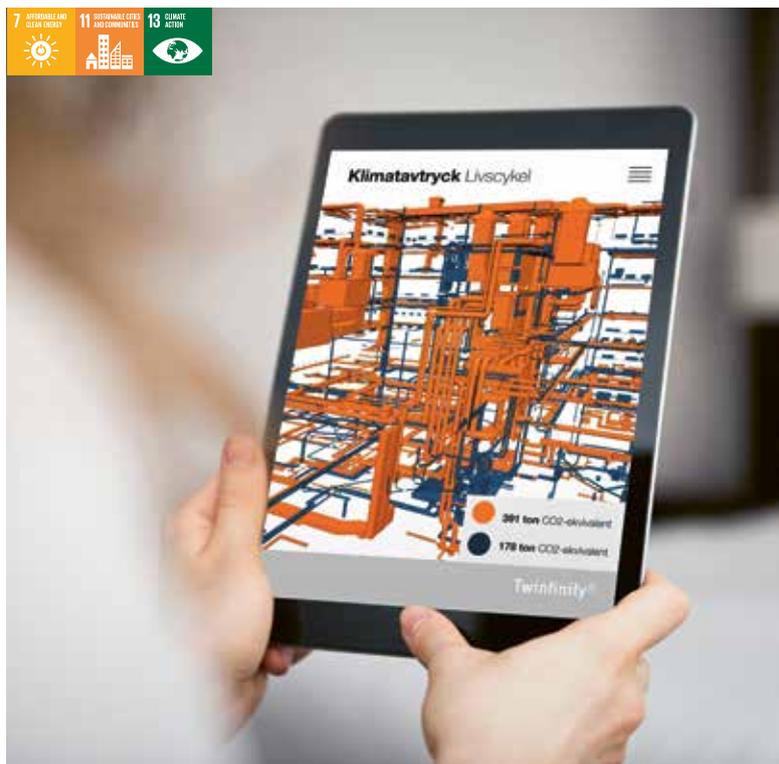
### Innovative tool calculates sustainability risks

Climate change and increased incidents of extreme weather have a major impact on buildings. This was on display in the major flooding that occurred in the Netherlands during 2021. For property owners, this creates the need to understand and the ability to calculate the risks imposed by climate change when they invest in, develop or lease properties.

Working with property investor Vesteda, Sweco developed KIM, a software tool that specifies the risk of flooding and heat waves for the company's entire property portfolio, along with initiatives that can be taken to reduce these risks.

This solution gives Vesteda a deeper understanding of and the capacity to deal with sustainability-related risks to all of its properties.

Client: Vesteda  
Country: Netherlands



### Digitalisation of Vasakronan's buildings

Using Sweco's Twinfinity® platform, Vasakronan created digital twins of all of its 170 buildings. The platform connects property data to a 3D model that visualises and analyses the data to determine how the building is constructed, how it functions and how it feels.

By gaining full control and an overview of all data, operation and management can be optimised, climate impact can be reduced, and work methods and service offerings can be smarter and more flexible.

As an example, the platform enables circular management by mapping all material that can be recycled and specifying its location. It is also possible to visualise carbon footprint, indoor climate and supporting data for sustainability certification.

Client: Vasakronan  
Country: Sweden



### Lidl's first wooden store in Finland

Lidl is constantly working to reduce its climate impact. With its pilot store in Riihimäki, wooden construction is being explored as a way to create more sustainable store buildings.

Sweco was responsible for overall design of the pilot store. Entirely new construction solutions were required due to the unusually large proportion of wood to be used. The result is a store built on a unique wooden structure run entirely on green energy, with a circular heating system and its own renewable energy from 270 solar panels located on the store roof.

The wooden construction reduces the building's climate impact 25 per cent as compared with steel and cement. The solar panels provide around ten per cent of the store's electricity requirements and help further reduce its climate impact by nearly 10 tonnes CO<sub>2</sub> annually.

Client: Lidl Finland  
Country: Finland

# Water, energy and industry

Sweco develops modern technical solutions that ensure access to clean water, a reliable energy supply and resource-efficient industrial facilities, in close collaboration with our clients.

With intense rainfall and flooding, our cities are focused on water supply and water infrastructure. In the Urban Insight report “Healthy Water Cities: From Sewer to Health Booster” from October 2021, Sweco proposes three water strategies to ensure a healthy future and prevent system failures. The first deals with managing cities’ health challenges, the second with giving more space to nature, and the third with reducing water consumption and increasing wastewater re-use and purification. These three strategies are highly relevant and a reflection of Sweco’s work with water projects across the globe.

### From fossil fuels to renewable energy

Our energy experts work, often in combination, with the transition from fossil fuels to renewable energy, reliable and efficient power distribution, and infrastructure expansion for new fuels such as electricity and hydrogen. Several pro-

jects, for example, involve harvesting as well as storing solar and wind energy, while also reducing consumption by using energy more smartly. Our consultants also actively support the accelerated expansion of hydrogen in the overall energy supply in multiple markets.

### Transformation of industry

Sweco’s engineers and industrial experts contribute to the sustainable transformation of industry by delivering resource-efficient plant design, designing electricity and automation systems for the future, and streamlining warehouse, hospital and distribution logistics flows. Our expertise is used in areas including the transformation of the steel industry. Sweco is advisor to H2 Green Steel and Hybrit in Norrbotten, Sweden, which plan to achieve full-scale fossil-free processes for steel production by 2030 and 2035, respectively.

#### Water

Sweco’s experts manage water for a variety of situations, ranging from providing access to clean water to protecting societies from flooding.

Examples of services:

- Water and wastewater engineering services
- Water resource planning
- Urban water management
- Design of flood protection structures

#### Environment

Sweco’s environmental specialists create habitable environments that are not harmful to man or nature through measures including reducing the presence of toxins and effective waste management.

Examples of services:

- Waste management planning and advice on remediation of contaminated areas
- Environmental studies and impact assessments
- Services related to chemical substances and associated legislation

#### IT

Sweco’s IT experts manage and process data produced by the city to streamline everything from transportation to water flows.

Examples of services:

- Systems development and big data
- Data coordination and BIM
- 3D visualisation and geographical analyses
- Strategy and operational support

#### Energy

Sweco’s energy experts know how energy is produced, distributed where it’s needed and consumed as efficiently as possible.

Examples of services:

- Energy production studies
- Transmission and distribution planning
- Energy market analysis
- Energy optimisation advice

#### Industry

Sweco’s industrial consultants improve effective and resource-efficient production in all industrial operations.

Examples of services:

- Process engineering services
- Plant design (electricity, automation, mechanics, piping)
- Logistics planning and project management

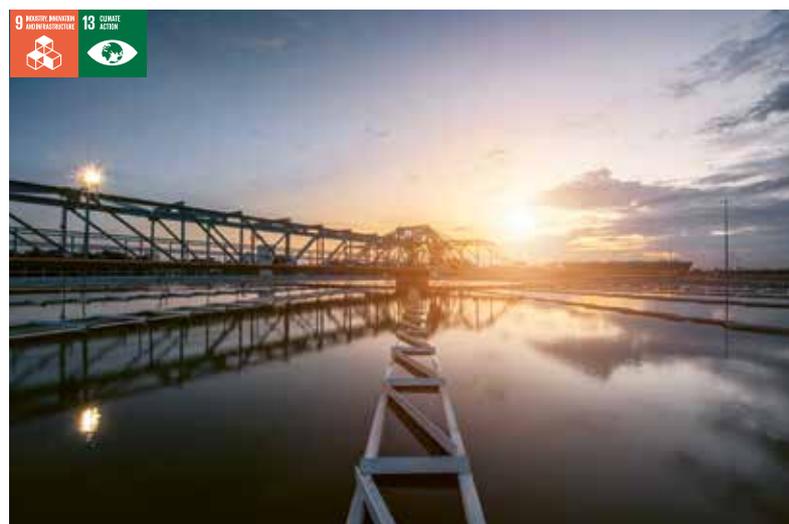


### World's first energy island

Sweco is involved in the historic work of building an artificial energy island about 100 km off the west coast of Denmark. The energy island is being constructed for the large-scale production of offshore wind power and will produce enough renewable energy to meet the needs of around three million households. The Danish Energy Agency commissioned Sweco as the project's technical advisor, including preparation of tender documents and evaluation of bidders. The project, which covers functional and technical design, has involved a broad group of Sweco experts.

The project marks the shift from fossil to renewable energy in Denmark, while also demonstrating the great potential of offshore wind power. With the contribution from the energy island, Denmark will produce more renewable energy than it consumes, and the surplus can support the energy transition of other countries.

Client: Danish Energy Agency  
Country: Denmark



### Visualising climate impact for water project

Working with Anglian Water, Welsh Water and Skanska, Sweco has developed a ground-breaking model for visualising project carbon and financial costs. Data, visualised in real time, will allow engineers to optimise design solutions. Sweco contributed its expertise in climate calculations to the project.

The model will be integrated into Anglian Water's working procedures and then made available to the entire UK water sector and its value chain. It will enable the UK water industry to visualise carbon and cost impacts over the life-cycle of a project and make truly sustainable solutions for residents, society and the environment.

Client: Anglian Water  
Country: UK



### First large-scale green hydrogen plant in the Benelux

Hydrogen is expected to be a building block in tomorrow's energy mix and the ongoing energy transition. But a large share of today's hydrogen is currently produced using natural gas. On behalf of VoltH2, Sweco's expert teams in Belgium and the Netherlands managed the design, planning and permit process for two large-scale hydrogen plants, which will use wind power to produce green natural gas.

Initially, the plant will be able to produce 3,500 tonnes of hydrogen per year and be scaled up to 14,000 tonnes.

For context, one kilo of hydrogen is enough to drive a car 100 km. The production plant can be connected to the "European Hydrogen Backbone", a new European infrastructure for hydrogen. Sweco has several experts in the international hydrogen group, tackling all aspects of hydrogen's value chain, and is involved in several projects in Europe.

Client: VoltH2  
Countries: Belgium, Netherlands

# Transportation infrastructure

In an accessible society, people and goods move safely and efficiently. Modern technology creates good opportunities for an accessible future. Sweco's experts design transport systems that enable tomorrow's cities to cope with a growing population as well as increasing requirements for sustainable transport solutions.

Transportation infrastructure is a socially critical function that most of us use daily. At the same time, transport contributes to environmental and climate impact, air pollution and noise. Within the framework of the EU's new climate package presented in July 2021, the targets for reducing emissions from road transport will be tightened, while the resilience of railways and the connections between different national systems are expected to be strengthened.

### Leading position in Europe

Sweco today has a leading position in Europe in track and rail design with over 1,200 experts in the field. Client projects range from national trunk lines to growing cities' public transport networks, often linked to local or national climate goals.

Our experts use Sweco's combined expertise in technology, architecture and the environment to plan and design pedestrian and cycle paths, roads, bridges, tunnels, ports and rail infrastructure with a well-thought-out priority given to safety, accessibility, sustainability and cost efficiency. Through digitalisation in the form of information coordination, sensor technology and interactive visualisations, we handle large amounts of multidimensional data, which we then apply to the projects to improve traffic flows, reduce emissions and optimise maintenance.

### Transformation and electrification

Sweco contributes to the complex transition to modern infrastructure for mobility, electrified transport, EV charging and traffic planning. Shipping is an infrastructure area that has become increasingly important to transform. About 80 per cent of world trade is done by water transport and every year more than 400 million ship passengers pass through European ports, which has a significant environmental impact. A rapid transition to alternative fuels, energy storage and shore-side electricity supply is needed to reduce pollution and greenhouse gas emissions. Ports also need to be future-proofed against rising sea levels resulting from global warming.

### Social sustainability

The development towards more sustainable infrastructure drives the demand for urban environments that increasingly promote quality of life and put social and cultural sustainability in focus. In collaboration with municipalities, business, researchers and other actors, we design societies where large-scale and technical infrastructure lives side by side with the more vulnerable and sensitive parts of human culture – equality, accessibility and sustainability.

#### Civil engineering

Sweco's civil engineering specialists plan and design everything from roads and tunnels to bridges and ports for an even more accessible society.

Examples of services:

- Road and land use planning
- Rock excavation design and geotechnical engineering
- Bridge design
- Port master planning
- Surveying

#### Railways

Sweco's experts have technical expertise in areas ranging from studies and plans for new tracks and railways to operation and maintenance of those already in place.

Examples of services:

- Tracks
- Electricity
- Signalling
- Telecoms
- Operation and maintenance

#### Traffic planning

Sweco's traffic planners are involved in planning and strategies at an early stage for everything from public transportation to freight traffic, to ensure smooth and safe travel for all road and rail users.

Examples of services:

- Capacity planning
- Accessibility planning
- Strategic planning
- Intelligent transportation systems (ITS)

#### Project management

Sweco's project managers are the link between the client's vision and the actual implementation of complex construction projects.

Examples of services:

- Project and design management
- Property and development management
- Site supervision

#### IT

Sweco's IT experts manage and process data produced by the city to streamline everything from transportation to water flows.

Examples of services:

- Systems development and big data
- Data coordination and BIM
- 3D visualisation and geographical analyses
- Strategy and operational support

### Sweco plans portions of North Bothnia Line

The North Bothnia Line will run between Umeå and Luleå, with 270 km of new railway along northern Sweden’s coastline. Sweco has been commissioned by the Swedish Transport Administration to plan the new railway that will run between Norra Tuva and central Skellefteå, a project expected to continue through 2031.

Sweco is responsible for producing the master plan and construction documents and will then serve as advisor during the construction process. The planning work needs to be innovative, as project planning for the railway is being done in an urban environment. In addition to managing the complexity this entails, the project is also hallmarked by sustainability. Social and economic aspects must be taken into consideration and the railway must be built with the minimum possible climate impact.

Client: Swedish Transport Administration  
Country: Sweden



### Electrification of Norwegian ports

In Norway, some goods transport will be shifted from road to sea to reduce pressure on the roads and utilise the country’s long coastline and multiple ports. One challenge is that ships use a lot of fuel during loading and unloading, generating emissions of carbon dioxide and other harmful particles.

Port electrification is therefore a key factor in shipping’s transition. Major investments are needed to electrify ports, particularly small ports. For Nordfjord, Vågan and Harstad, Sweco analysed options for creating plug-in solutions based on existing electricity grid capacity and investment grants from the Norwegian Environment and Climate Agency. The project developed a solution to electrify the three ports by 2023, saving an estimated 1,500+ tonnes CO<sub>2</sub> annually.

Client: Ports of Nordfjord, Vågan and Harstad  
Country: Norway

### New transport network in southern Germany

Rail-bound traffic plays an important role in meeting people’s travel needs and reducing the transport sector’s climate footprint. In southern Germany, Sweco has been working with a project to create a local tram network based on existing rail lines. Memmingen station is a regional hub with tracks running past several nearby towns where no trains have stopped. Sweco was tasked with exploring options for creating an attractive local transport network using existing rails.

In the project, Sweco managed all design and planning work for six new stations in the greater Memmingen area, scheduled to open in December 2025. This is an important step in the region’s pursuit of sustainable mobility and will make travel easier for residents.

Client: SWU Verkehr GmbH  
Country: Germany





# Transforming Sweco together with our employees

Sweco is the sum of our people. We nourish a culture of collaboration, personal development, equal opportunities – and continued learning, where people are motivated by each other and the impact they have in society.



# People are our most valuable resource

To be best at solving our clients' challenges, we need to have the industry's most competent employees. At Sweco, people are our most valuable resource, and we attach great importance to being an attractive employer for both current and future talent and leaders.

## Shared values in a decentralised organisation

**Goal**

To inspire and motivate every employee to take personal responsibility and collaborate closely with clients and colleagues.

Offering an attractive and challenging workplace is essential for attracting the talent of the future. Our work in shaping tomorrow's sustainable communities and cities creates an environment where we contribute to meaningful results. As urban developers, we make a lasting impression on society and influence the future.

In 2021, Sweco was comprised of 1,600 small independent teams led by team managers. By gathering experts with different expertise, experience and knowledge, who are authorised to make their own decisions, take responsibility and drive change together with our clients, we create results in our projects and a sense of pride and commitment among our employees. Our successful model has once again been validated in this year's employee surveys. We received a score of 4.2 on a 5-point scale in employees' responses to the statement "I am proud to work at Sweco", and a score of 4.3 in response to the statement "I have the opportunity to influence my own work".

**80%**

of our employees are proud to work at Sweco (2020: 81%)

## Approachable and committed employees

**Goal**

To be the most approachable and committed partner, with recognised expertise.

Sweco's strong client focus is the foundation for our successful model. This is reflected in our client promise: to be the most approachable and committed partner, with recognised expertise. Our daily work is distinguished by close collaboration with our clients in exciting and challenging projects, making us an attractive employer locally and globally.

In this year's employee survey we received a score of 4.3 in response to the statement "In our team we build long-term relationships with our clients". An updated training programme on our client promise was launched in 2021, designed to place clients more clearly in focus based on their client journey.

### Sweco Core Behaviours

Proactive, Working with People, Accessible and Collaborative, Attentive and Committed, Adapting and Responding to Change

“In 2021, Sweco saved over 100,000 working hours with the help of AI and automation. Despite that, we have so far only scratched the surface.”  
David Hunter  
Head of AI & Automation

## AI central to digital transformation

### In what way does Sweco use AI and automation?

We use it to streamline our own work and to create even more benefit in our client projects. During the year, we saved 100,000 working hours by automating simple work steps. This makes employees' everyday lives more enjoyable and client deliveries even more high-quality. As a knowledge company, it makes us more competitive.

### What is the benefit and value for Sweco's clients?

Our consultants spend more time on skilled work and use AI to be able to do even more advanced calculations and simulations. When we plan traffic flows in a city, for example, we can use AI to bring in lots of parameters and simulate different future scenarios that make our solutions even more accurate.

### What role does this type of technology play in sustainability?

Data and AI will play a key role in accelerating the transformation. Technology makes it possible to identify patterns and insights that lead us to the right decision and help us design the right solutions. We have so far only scratched the surface for all the possibilities of technology.

## Competence sourcing, development and leadership

### Goal

To offer the best expertise for our clients' needs.

Sweco works with expertise, knowledge sharing and leadership to offer good development opportunities and an engaging work culture. We have a special focus on individual development, which takes place in client projects as well as internal skills and development initiatives. Most training is developed and conducted at the business area level based on local market requirements. At Group level, our joint trainings are offered through Sweco Academy and cover everything from new employee onboarding sessions to management training. Several business areas offer trainings in sustainability.

Sweco recruited 3,252 new employees in 2021, a year-on-year increase of 34 per cent. Sweco Core Behaviours were integrated into our recruitment process during the year to ensure a structured and measurable approach, with interview guides and psychometric tests. We also launched an updated process for our employee performance reviews,

aimed at strengthening and improving personal development and employee-manager dialogue. Our employees gave a score of 4.2 on a 5-point scale in response to the statement "I am satisfied with the performance review process".

Sweco has a common leadership framework to develop the leaders of tomorrow. This covers the three dimensions that distinguish Sweco's managers: building relationships, promoting performance and driving development. At Group level we run the LEAD programme for managers who have the potential to take on more senior positions.

According to the 2021 employee survey, 90 per cent of our leaders are considered excellent managers. Universum's career barometer ranked Sweco as Sweden's most attractive employer in 2021 among young civil engineers, followed by companies such as IKEA, Volvo and Spotify.

90%

of our leaders are considered excellent managers in our employee survey (2020: 88%)

## Equality, diversity and inclusion

### Goals

- A work environment free from discrimination, harassment and retaliation.
- No unjustifiable salary disparities based on gender, age or background.
- Equal access to professional development.

Gender equality is a fundamental priority in Sweco's Code of Conduct and sustainability work, with a focus on the UN's fifth Sustainable Development Goal. The gender balance is equal within the Sweco Group, and the gender distribution of the Board and among top executives has improved or remains even. In 2021, Sweco advanced to 11<sup>th</sup> place on Swedish foundation Allbright's green list of gender equal companies. Sweco is among the top 100 global and top 10 Swedish companies in Equileap's 2021 global equality survey. Sweco is also ranked 6<sup>th</sup> out of 668 companies in the European Women on Boards 2021 Gender Diversity Index.

Sweco is an international workplace with a supportive

culture rooted in collaboration. We view diversity and inclusion as essential to creating an innovative and inspiring working environment, and actively promote equal rights and opportunities in the workplace regardless of gender, ethnic origin, nationality, religious belief, functional variations, sexual orientation or age.

All employees are given equal opportunities for professional development in their existing fields or in new areas. Sweco has policies focused on eliminating salary disparities for identical or equivalent work. Efforts have been made to develop an equal treatment plan covering various areas, including the recruitment process. Several business areas also include goals linked to workplace diversity and inclusion in their business plans. As an example, Sweco UK measures the share of women, BAME (Black, Asian, Minority Ethnic), and functional variations and long-term conditions covered by the 2010 Equality Act.

The 2021 employee survey validates Sweco's sustainability work in equality, diversity and inclusion. We received a score of 4.5 on a 5-point scale in response to the statement "Everyone in our team has equal opportunities".



Percentage of women on the Board

57% (57%)



Percentage of women in the Executive Team

54% (50%)



Percentage of women in the Group

34% (33%)





“We need to take immediate climate action. That is why Sweco Germany is aiming to halve its CO<sub>2</sub> emissions by 2030 compared to 2020. To achieve this, we have launched a Sustainability Task Force, with a network of 20 sustainability ambassadors across Germany.”

Martina Thiessies  
Head of Sustainability  
Part of Sweco Germany since 2018



“I am inspired by Sweco’s sustainability vision. We are forward-looking and aligned with the latest developments. The same goes for our work. Once one important project is closed, we hurry to the next important task.”

Arend van Woerden  
Expert Water and Air Quality Consultant  
Part of Sweco Netherlands since 2014



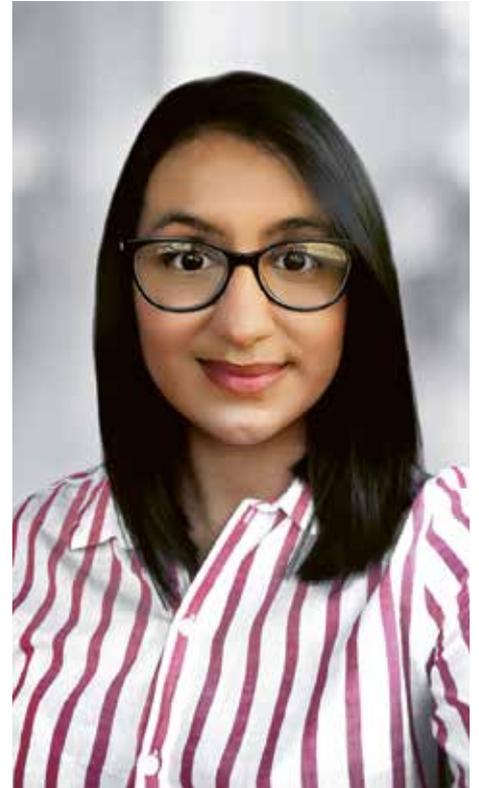
“We work in core teams with the exact mix of competences needed for the job. We place a great deal of effort into knowing each other and the client. Our willingness to get to know and learn from each other is significant for Sweco.”

Joakim Severinsson  
Power Distribution Management,  
Energy and Industry  
Part of Sweco Sweden since 2017  
and 2013–2015



“Being part of a team that takes climate action is a great motivation. Our IT team and IT solutions play an important part by contributing to creating more efficient and sustainable processes.”

Per Ingemann  
Head of Technology Solutions & Services  
Part of Sweco Denmark since 2020



“At Sweco I’ve worked with designing and implementing a clean air plan for the city of Liverpool. It involves improvements to road infrastructure and looking at active travel to reduce air pollution. It’s an important part of the city’s journey towards Net Zero.”

Aayesha Akram  
Senior Air Quality Consultant  
Part of Sweco UK since 2019

## Health and safety

### Goals

- No workplace accidents (Zero-Incident Vision).
- Ensure systematic information, guidelines and training on health and safety.

Sweco has a zero-incident vision, with responsibility being shared between Sweco as an employer and Sweco's managers and employees. Sweco's standard for work environment management systems is ISO 45001 certified. At the business area level, Sweco works systematically to investigate, conduct and monitor operations to prevent illness, incidents and accidents, and to continuously improve the

work environment. We encourage all employees to report any incidents that occur. The annual performance reviews and employee surveys are key follow-up tools.

Sickness absence remains stable despite the impact of the Covid-19 pandemic during 2021. We are continuously working on reducing sickness absence by taking action where needed.

# 3.1%

Outcome for sickness absence remains stable during 2021. (2020: 3.1%)

## Covid-19 and gradual return to the office

The Covid-19 pandemic has involved new operational conditions for Sweco's business. Along with our clients and employees, we have become better at using digital tools and identifying innovative new ways to utilise the advantages of digitalisation in our projects. Motivation among our employees decreased somewhat in our February 2021 surveys, likely due to fewer physical interactions between colleagues. In some of our countries, offices were closed entirely during certain periods. On average, 60 per cent of employees worked from home during 2021. A new employee survey from November 2021 indicates that motivation levels are increasing once again among our employees.

Our employees have become even more satisfied with management during the pandemic. We view this as acknowledgement of the excellent quality of our managers and confirmation that digital leadership also works well,

even though motivation is affected by the lack of physical meetings. Employee turnover was 10 per cent during the first half of the year and 13 per cent during the second half.

There has been a gradual return to office work during the second half of the year. Sweco applies a hybrid model, with each manager collaborating with employees to determine the need for physical meetings and interactions based on individual projects and client needs. We are committed to maximising the climate benefits gained through reduced travel, while also taking care to arrange physical meetings when innovation and problem-solving in client projects are needed. Hybrid-model management puts new demands on leadership. Sweco continuously develops our managers to ensure that we draw full advantage from new operational conditions without sacrificing effectiveness or motivation.

### Outlook 2022

New virus variants, lockdowns and reintroduced restrictions at the end of 2021 indicate that the Covid-19 pandemic is not over. 2022 will most likely be characterised by periodically increased remote work and continued recovery thanks to vaccines and new medicine. At Sweco, 2022 will be defined by continued focus on organic and acquired growth. Integrating newly acquired companies into Sweco's operations and company cul-

ture will be a key focus area during the year. We will also increase our recruiting efforts and focus on new employee onboarding activities. We see great business opportunities within sustainability and digitalisation, which will involve initiatives including expanding and adapting the range of sustainability-related training for employees based on job roles and requirements.

# Climate neutral by 2040

Sweco has set a group-wide goal to have climate neutral operations by 2040. The path to achieving this is based on business area targets that enable us to act forcefully in all markets where we operate.

## Halving emissions by 2030

Sweco's group-wide sustainability goal is to achieve climate neutrality by 2040. Sweco's base year for climate reporting is 2020, with all emissions reductions being measured against 2020 levels. For the initial 10-year period Sweco is following the Carbon Law, developed by the Stockholm Resilience Centre, which involves halving our emissions by 2030, after which we will advance more rapidly.

## Climate targets in line with SBTi

In 2020, Sweco undertook to develop climate targets for validation and approval of the Science Based Targets initiative, SBTi, a method for having our climate targets scientifically analysed and validated in line with the Paris Agreement and the ambition to limit temperature increases to 1.5°C. Sweco's climate neu-



## End years for climate neutrality and 2021 key actions

### SWEDEN

As part of its work to be climate positive by 2030, Sweco's Swedish operations have set the goal of having an entirely fossil-free passenger car fleet by 2023, as defined by Fossil Free Sweden, and fossil-free office operations by 2030.

During 2021 the percentage of fossil-free vehicles in the fleet was increased from 62 to 73 per cent. The offices have implemented efforts aligned with Sweco's Sustainability Sun, a tool used to demonstrate the extent to which a project supports the UN's Sustainable Development Goals.

### UK

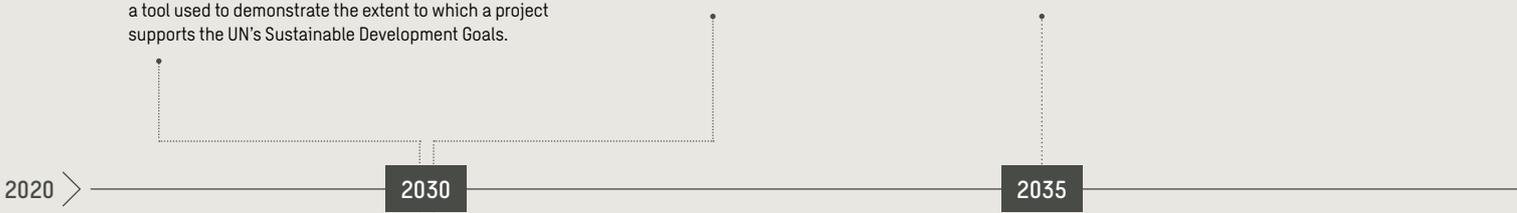
Green energy contracts for the office operations are to be implemented by 2023. As from 2022, our British consultants will no longer travel domestically by air. The vehicle fleet will be fully electrified by 2025.

Initiatives conducted during 2021 include calculating the climate impact of remote work.

### NETHERLANDS

By 2035, Sweco in the Netherlands will be 100 per cent climate neutral and 100 per cent circular. By 2025, waste and emissions from our offices will be cut 50 per cent and half of our cars will be electric.

Sweco's new office in Rotterdam was awarded Energy Class A certification in 2021 and 40 per cent of the vehicle fleet is now fully electrified.



### BELGIUM

Fossil fuel heating systems are to be phased out by 2030 and all offices to be supplied with renewable energy by 2022.

Following intensification of the target during 2021, Belgium will have a fully electrified vehicle fleet by 2026, rather than by 2028. Using ground-breaking new technology, the office in Zelzate was transformed into a flagship zero-emissions office during the year.

### FINLAND

In 2021 Sweco in Finland decided to alter its long-term target and become climate neutral by 2030, rather than by 2035. The operation's energy supply will be provided under green contracts by 2025.

Employee benefits were updated in 2021 to encourage the increased use of electric bicycles and electric cars.

trality is to be achieved primarily through emissions reductions in our own operations, with no more than 15 per cent to be achieved through carbon sinks, emissions offsets, or climate compensation through established and third-party verified mechanisms.

**Emissions disclosure according to the GHG Protocol**

Sweco's 2040 climate neutrality goal includes emissions in all Greenhouse Gas (GHG) Protocol scopes (1, 2 and 3). Sweco's operations are largely comprised of consultancy services, where we can make a significant contribution to reducing carbon emissions in our client projects. These client project emissions are not included in Sweco's climate goals or in the GHG Protocol emissions we are disclosing, but are rather part of our clients' climate goals.

Together with the World Business Council for Sustainable Development, WBCSD, we have taken the initiative to develop a methodology for measuring climate impact in client projects as well.

**Forerunner in our markets**

Added to the group-wide goal is the ambition to act as forerunner in all markets where we operate. This involves each market formulating a roadmap to achieve climate neutrality ahead of the specific country's official target. In this way, we take every country's individual circumstances into account and ensure that we act ambitiously based on those circumstances. In several markets, the journey to climate neutrality has been proceeding for quite a while. Sweco's operations in the Czech Republic, for example, have been measuring their climate

impact since 2007 and halved their emissions between 2008 and 2019.

**Intensified ambitions in 2021**

Sweco's business areas Sweden, UK and Belgium have all set targets to achieve climate neutrality by 2030. During the year, Sweco Finland also set 2030 as its target, bringing it forward five years from 2035. Sweco Belgium set the target of having an entirely electrified vehicle fleet by 2026, rather than by 2028. Several major advances were made during 2021, including Sweco Sweden's expansion of its fossil-free vehicle fleet, Sweco Belgium's creation of a zero-emissions office, and Sweco Norway's mapping of emissions at the slightest levels to encourage everyday improvements.



**NORWAY**

Our Norwegian operations will be entirely climate neutral by 2036 with a minimum of 55 per cent emissions reduction by 2030.

To support improvement measures on all levels, a tool was developed during 2021 that shows Sweco Norway's total emissions down to the smallest business unit.

**LITHUANIA**

Sweco in Lithuania has undertaken to progressively increase the share of renewable energy, with a major focus on locally produced solar energy. By 2030, 80 per cent of electricity consumed will come from renewable energy production and 30 per cent of the vehicle fleet will be electric cars.

During 2021 the office in Vilnius switched to renewable energy and electric car charging stations were installed.

**CZECH REPUBLIC**

The goal is to be climate neutral by 2040 and the plan includes electrifying 50 per cent of the vehicle fleet by 2030 and switching to green energy contracts by 2025.

Two offices in Brno moved to more energy-efficient buildings in 2021 and negotiations were initiated to switch to green energy for the office in Prague.

**POLAND**

By 2022 all offices in Poland will switch to green electricity contracts wherever possible. We will reduce our paper consumption by at least 50 per cent by 2025.

Single-use plastic items were banned in the Polish offices in 2021. A process was initiated to relocate the Warsaw office from an older office building to a new BREEAM-certified building.

2036

2040

**GERMANY**

In Germany, Sweco's goal is to reduce business travel emissions by 50 per cent by 2030 through measures including development of a modern mobility concept. German offices will have switched to green electricity contracts by 2022.

A new travel policy introduced in 2021 advises substituting cars with rail-bound transport and using electric cars for all travel distances less than 200 km.

**BULGARIA**

The goal for Sweco in Bulgaria is to have only electric vehicles by 2030 and to reduce travel to the head office by holding more digital meetings.

Sweco Bulgaria discontinued using air travel for business trips in 2021.

**DENMARK**

Sweco's Danish operations have introduced a series of measures with a goal to cut emissions by 60 per cent by 2030. Sweco Denmark's vehicle fleet will be entirely fossil free by 2028 and emissions from commuting will be reduced 60 per cent by 2030.

In 2021 Sweco Denmark introduced a car policy requiring the use of zero-emissions vehicles as from 2025.

# Climate footprint 2021

## Adjusted actual outcome for base year 2020

Climate data for base year 2020 has been adjusted with actual outcome in connection with this year’s reporting. The adjustment is due to the fact that the scope of climate data for 2020 has been corrected to better take into account the emissions from remote work. The purpose is to provide a more comprehensive overview of the indirect emissions from our operations. Furthermore, emission data have been added that were not available at the time the sustainability report for 2020 was completed. Variations in data availability are due to the fact that Sweco operates in countries with different standards for reporting periods.

## Reduced GHG emissions across Sweco’s operations

The Sweco climate footprint in 2021 is estimated to be 29,927 tonnes CO<sub>2</sub>e, a decrease of 10 per cent in absolute terms compared with base year 2020. During 2021, we saw

significant progress in the areas impacting Scope 1 and 2 emissions. Increased percentage of renewable energy in Sweco’s offices and measures to decarbonise mobility are the main drivers for reduced GHG emissions.

Sweco is committed to having a comprehensive and transparent accounting and reporting of our emissions as a prerequisite to sustained mitigation efforts to reach climate neutrality by 2040. In addition to mandatory Scope 3 emissions, Sweco’s business areas also report additional Scope 3 emissions based on targets for achieving fore-runner status in their market. During 2021, more business areas added additional Scope 3 categories to their targets which was reflected in a slight increase in reported emissions. The Scope 3 emissions that increased most during 2021 were related to employee commuting. Two new business areas started reporting on this category during 2021.

Group greenhouse gas (GHG) emissions, tonnes CO<sub>2</sub>e

Scope	2021	Base year 2020	Share of total emissions 2021, %	Progress 2021 vs. 2020, %
Scope 1	5,472	8,016	18	-32
Scope 2	9,149	10,340	31	-12
Scope 3 (mandatory)	4,325	4,776	14	-9
Scope 3 (additional)	10,981	10,316	37	6
<b>Total</b>	<b>29,927</b>	<b>33,448</b>	<b>100</b>	<b>-10</b>

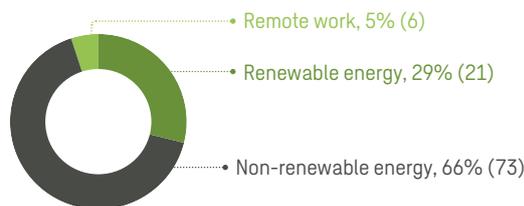
The GHG Protocol has defined a global standardised framework to measure and manage greenhouse gas (GHG) emissions within three scopes. Scope 1 and 2 emissions are a mandatory part of reporting and relate to direct emissions from sources that are owned or controlled by Sweco, such as company cars, and indirect emissions from the generation of purchased electricity, heating and cooling consumed by Sweco. Scope 3 covers other indirect emissions, mandatory and voluntary, that are not included in Scope 2 and occur in Sweco’s value chain, e.g., employee commuting, purchased goods and services, upstream transportation and distribution, and waste generated in the operations.

## Accelerated transition to renewable energy

Compared with base year 2020, we see significant progress in the use of renewable energy sources in Sweco’s operations during 2021 – increasing from 21 per cent to 29 per cent. This had an immediate effect on reducing emissions from electricity, heating and cooling. The preliminary total energy consumption did increase, however, mainly due to improved EV charging infrastructure and gradual return to office work during the pandemic.

See further disclosures on GHG emissions on pages 40–41.

Energy sources 2021



## Outlook 2022

The 2021 outcome shows that we are on track towards halving our emissions by 2030. We recognise, however, that the journey towards becoming climate neutral continues and more remains to be done. During 2022, Sweco’s business areas will continue to revisit climate

targets and roadmaps so that our efforts to decarbonise our operations further intensify. We will also evaluate internal processes and systems for climate data accounting and reporting with the goal to improve the transparency, efficiency and accuracy of performance reporting.



## Pioneering innovations in sustainability

### Client challenge

For the redevelopment of 105 Victoria Street in London, the client presented Sweco with the challenge to define a holistic sustainability approach including operational energy, embodied carbon, potable water use, circular economy, biophilic design, wellbeing, and much more.

### Sweco's solution

Led by Sweco, BGO undertook a rigorous sustainability assessment, which showed that the whole-life sustainability benefits of new build on the site far outweighed that of retrofitting the energy inefficient building from the 1970s. The new future-facing building was then designed to actively enable retrofit, repurposing and recycling at the end of its own lifespan, demonstrating a fully comprehensive approach to whole-life carbon in real estate.

### Sustainability impact

Creative design and use of materials will help manage heat gains, whilst maximising natural ventilation to lower energy use by 30 per cent when compared with a traditional office building. This will create 182.5 days of self-sufficient cooling per year.

Predicted savings for operational and construction embodied carbon against respective baselines are equivalent to the amount of carbon it takes 339,200 trees to sequester over 60 years before offsetting or purchasing of green energy towards becoming net-zero carbon.

Living green walls and a considerable green roof assists with reducing air pollution and increasing the biodiversity of the urban space. The on-site urban farming will provide fresh food and a means of local composting of biodegradable waste from within the building.

The building will provide nourishing spaces that enhance wellbeing, including a 200m 'walk and talk' track with impressive views across London designed to encourage office workers to be active and collaborative.

Powered by renewable energy both during construction and when in operation, the building will not only meet and/or surpass BREEAM 'Outstanding', EPC A, and WELL 'Platinum' certification, but also exceed RIBA 2030 sustainability targets.

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**"I thought the sustainability meeting that we had was a great start to achieving our specific goals with 105 Victoria Street. We clearly have a great opportunity with the team's global knowledge on the subject to use this as a case study for our business on the way we should consider the impacts the built environment has on carbon and energy."**

Alexander Morris  
Director BentallGreenOak

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Client: BentallGreenOak (BGO), Welput  
Location: 105 Victoria Street, London  
Type: Retail, Office, Community Use  
Size: 43,660 sqm

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### Sweco Buildings services

MEP Engineering  
Vertical Transportation  
Building Automation  
Fire Engineering

### Sweco Sustainability services

Performance design/NADERS rating  
Natural Ventilation Design  
Biophilic and Ecology  
Thermal Modelling and Façade Optimisation  
Computational Fluid Dynamics  
BREEAM Certification  
WELL Standard Certification  
Embodied Carbon Analysis  
Circular Economy Design

# Responsibility on all levels

At Sweco, business ethics is about taking responsibility for our projects and the way we conduct our business. This is fundamental for our long-term success.

Sweco's decentralised approach, with all employees responsible for their own business relationships, places high demands for individual awareness of business ethics. Every Sweco employee is responsible for complying with laws, regulations and our own business ethics guidelines. The same applies to our business partners.

### Goals

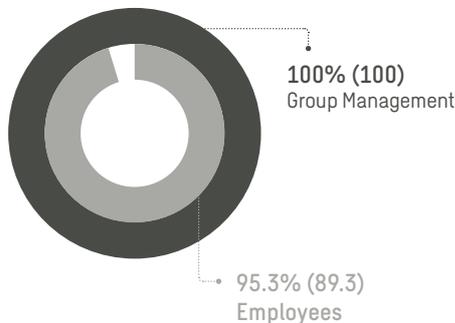
- Zero cases of bribery, corruption, fraud or other types of non-compliance with our Code of Conduct.
- Zero cases of human rights violations in our own operations or client projects.
- All employees sign our Code of Conduct and complete mandatory business ethics training.

### Code of Conduct and other policies

With 18,000 employees carrying out projects in many locations throughout the world, we need to ensure that our employees and business partners always conduct business based on the same principles. The Sweco Code of Conduct forms the basis for Sweco's work with sustainability and accountability. It details our responsibility in society and covers the environment, business ethics, employee development, human rights, labour law, data protection and personal data management. In 2021, 95.3 per cent (89.3) of Sweco's employees read and signed our Code of Conduct.

All employees and managers receive regular training in business ethics to obtain a solid understanding and generate internal dialogue. At Sweco, we have an extremely well-functioning system for digital training. A new business ethics training programme was launched in 2021, aimed at further developing ethical proficiency among senior managers and key employees.

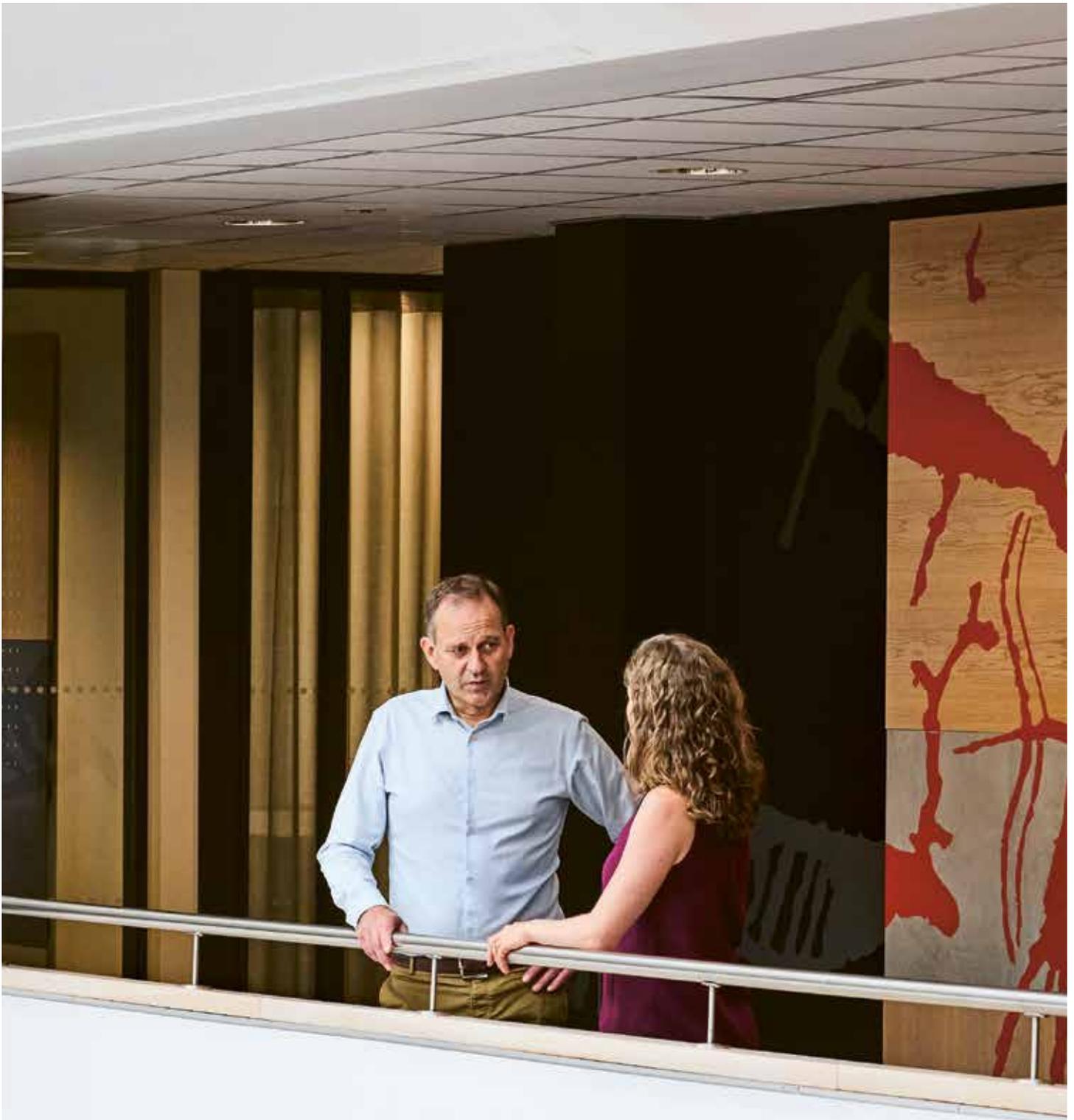
Share of employees who read and signed Sweco Code of Conduct in 2021



### Careful selection of business partners and projects

In addition to requiring our business partners to comply with Sweco's Code of Conduct, we also have a special Business Partner Programme for evaluating our partners. Training and policies on anti-corruption, gifts, etc. are included in the programme. Our employees and partners participate together in the training sessions, to review various scenarios and dilemmas that can potentially arise in the business.

For projects outside our home markets, we have a process for risk assessment of projects and business partners. The Transparency International Corruption Perceptions Index (CPI) is one parameter used in this assessment. Other criteria, such as a partner's former actions, would also be applied. The higher risk a project is deemed to have, the stricter the assessment.



## Sweco's business ethics framework

### Code of Conduct

Sweco's Code of Conduct presents our overall requirements covering Sweco employees and our business partners.

### Policies

We also have central policies in place regarding anti-bribery and corruption, gifts, hospitality and entertainment, privacy, crisis management, authorisation, finance, tax, sponsorship and information security. Local policies in the business areas cover e.g. procurement and travel.

### Business Partner Programme

Our Business Partner Programme ensures that current and prospective partners comply with our business ethics requirements.

### Ethics Line

The Sweco Ethics Line is a whistleblowing function that enables anonymous reporting of suspected business ethics misconduct.

### Risk management

Sweco also has risk management procedures in place to identify and manage operational and sustainability-related risks and opportunities.

### Suppliers and procurement

Sweco's supply chain is limited, and the most significant impact lies in client projects and collaborations with other parties. We expect all our suppliers to comply with the group-wide principles in Sweco's Code of Conduct regarding environmental management and sustainability, business ethics, compliance, health and safety, human rights and workers' rights. For example, we require our sub-contractors to sign our Code of Conduct. Furthermore, management and evaluation of supplier relations and procurement take place at business area level based on local policies and routines. Our goal is to continuously improve the management of our supply chain and establish processes and tools to further develop sustainability performance.

### Human rights

Sweco supports and respects human rights, as defined by the UN in the Universal Declaration of Human Rights and the Global Compact. We have zero tolerance for human rights violations, child labour and inhumane working conditions. Sweco also does not permit discrimination or denial of employees' collective bargaining rights. We actively promote equal rights and opportunities in the workplace for employees irrespective of gender, transgender identity or expression, ethnic origin, religious belief, functional variations, sexual orientation or age, within Sweco and in our contacts with clients and other stakeholders.

The risk of human rights violations within Sweco's own operations is deemed to be relatively minor. Human rights violations are mainly of concern in our export projects conducted outside of Europe, with the risk of violation varying based on e.g. type of project, geographic location and the business partners Sweco works with. Human rights criteria are included in the tender review process for screening

major Sweco projects, in the assessment of potential business partners and in the merger and acquisition process.

Sweco employees are required to report suspected human rights violations. In 2021, a report on suspected violations of human rights was submitted via the whistleblower function. The investigation that was carried out concluded that no violations had occurred.

### Reporting and compliance

Business ethics is a standing item in monthly reviews with Sweco's business areas to ensure compliance with our Code of Conduct and other sustainability-related policies. Sustainability-related risks are reported to Sweco's Board of Directors on a quarterly basis. Sweco employees are required to report any violations of business ethics that arise in their course of work, even in cases where Sweco is not directly involved in or party to the event in question.

Sweco has a zero-tolerance policy with regard to non-compliance with business ethics and violation of human rights. We focus on enforcing this policy by proactively providing training and information, and by reactively picking up on and managing incidents. Our whistleblowing function – the Sweco Ethics Line – is operated by an external provider and enables anonymous reporting of suspected incidents. The Sweco Ethics Line is available for employees as well as external parties.

Compliance Week was introduced in November 2021. During the week extra focus was placed on business ethics and providing information to employees in all Sweco countries. An in-depth risk assessment of business ethics and human rights was conducted during the year. To enable structured evaluation and implementation of Sweco's sustainability-related policies, our business ethics work is regularly audited based on identified risks.

# 94.1%

of Sweco's employees have completed internal business ethics training (2020: 87%)

### Incidents 2021

In 2021, 6 incidents were reported through Sweco's whistleblowing function (2020: 7). Incidents related to business ethics and employees were investigated during 2021 and necessary actions have been taken as a result of the incidents. Incident management of confirmed violations also includes evaluation of measures required to prevent similar incidents in the future.

### Outlook 2022

It has always been essential for Sweco to be an ethical company. As the business grows and we operate in a world with political instability in several markets, it is increasingly important to remain vigilant to violations of business ethics. In accordance with our Code of Conduct, we will continue to strive to achieve zero cases of bribery, corruption, fraud and other types of non-compliance, such as human rights violations. Due to the pandemic and the increase in remote work, parts of the training – in addition to the e-training already being done by all employees – will continue to be held digitally.



## Urban Insight thematic reports

Planning and designing tomorrow's sustainable communities and cities requires data, facts and insights to find the most innovative solutions. Urban Insight is a knowledge platform where Sweco invites experts to jointly develop innovative solutions within the scope of an annual theme. Since its launch in 2018, Sweco has published 24 reports in areas such as sustainable transport, energy transition, climate change and health and wellbeing.

In 2021, the overarching theme was health and wellbeing in urban areas, which, among other things, provided insights into how cities can prepare for climate change and take measures to improve the quality of life for residents through the development of healthier urban areas, environments, mobility and buildings.

An example of Sweco's work in the latter area is shown the picture above. Olivia Garden is an 8,720 m<sup>3</sup> green area in the middle of an office complex in Gdansk, Poland. The indoor garden contains 150 species and almost 3,000 plants, as well as work zones and recreation zones for visitors.

The theme for 2022 is Towards Circularity and the reports produced during the year will highlight how a circular economy can contribute to reducing climate impact and loss of biodiversity while meeting economic and social needs.

Read more at [www.swecourbaninsight.com](http://www.swecourbaninsight.com).

# Collaboration for sustainable development

Collaboration is crucial for achieving positive impact in transforming society. Sweco's decentralised organisation is committed to delivering what is best for our clients in their local context. Consequently, most of our collaborations with various sustainability partners take place at the business area or national level.

Sweco Finland is part of the alliance group that will construct the three new Crown Bridges and a 10 km tramline in Helsinki. Sweco is responsible for building plans and assessments for almost all engineering elements within the project. When completed in 2026, the combined length of 1,200 m will make Crown Bridges the longest in Finland.

At Group level, Sweco chooses to participate in initiatives that reflect our commitment to sustainability leadership, where we can share and develop best practices with other leading businesses, develop synergies between various sustainability dimensions, and ensure our representation in international forums for negotiations on sustainability.



**World Business Council for Sustainable Development (WBCSD)**

Sweco has been a member of WBCSD since 2013. The organisation is a global business forum that works for sustainable business and to accelerate the system transformations needed for a sustainable future. For Sweco, WBCSD represents a platform to collaborate and discuss current sustainability issues with business peers. By participating in the conversation, we understand where the business community is heading, and which sustainability issues will be prioritised. This external monitoring gives us the opportunity to secure the future of our own competencies and provide our clients with better services. With our experience of sustainable transformation, we can contribute to the WBCSD's agenda and various projects, while membership gives us access to UN platforms and the opportunity to participate as a representative of the business community in the negotiations of, for example, the annual climate summits.



**United Nations Global Compact (UNGC)**

Launched in 2000, the UNGC is a principle-based framework for companies. It includes ten universal principles based on established international conventions within four core areas: human rights, labour, environment and anti-corruption. Sweco became a Global Compact signatory company in early 2021 and is part of a global network of over 9,500 companies that have committed to complying with the ten principles.

For us, this signifies that we work proactively to integrate the principles into our company culture and daily operations. We take measures to ensure openness and transparency and, as a member company, we have undertaken to prepare and submit our progress report – “Communication on Progress” (CoP) – on an annual basis. This report serves as Sweco's CoP for 2021. Sweco has also signed the Business Ambition for 1.5°C – an open letter from the UN's Global Compact and its “Business Ambition for 1.5°C – Our Only Future” initiative.



**Global Reporting Initiative (GRI)**

GRI is an independent international standardisation body that has developed a common global taxonomy for accounting for and reporting sustainability information. Sweco's sustainability report has been prepared in accordance with GRI Standards, Core level.



**Greenhouse Gas Protocol (GHGP)**

GHGP is the most recognized global standard for calculating and reporting greenhouse gas emissions. The GHGP is a partnership between the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). Sweco reports its greenhouse gas emissions in accordance with the GHG protocol.



**Science Based Targets initiative (SBTi)**

SBTi is a collaboration between the Carbon Disclosure Project (CDP), the World Resources Institute (WRI), the World Wildlife Fund (WWF) and the UN's Global Compact (UNGC). The initiative invites companies to demonstrate climate leadership through publicly committing to science-based greenhouse gas reduction targets which the initiative independently assesses and validates. Sweco adheres to the Science Based Targets initiative and has set targets aligned with the Paris Agreement and the goal to limit temperature increases to below 1.5°C.



**Task Force on Climate-related Financial Disclosures (TCFD)**

TCFD was initiated by the Financial Stability Board, a G20 entity, to improve and expand climate-related financial reporting with regard to the risks and opportunities of climate adaptation. The TCFD has developed recommendations for reporting structured around governance, strategy, risk management, metrics and targets. Sweco's climate-related risks are assessed in accordance with the TCFD recommendations.



**Equal by 2030 Initiative**

The Equal by 2030 Initiative promotes equal pay, equal leadership and equal opportunities in the energy industry by 2030. The initiative, launched by the Clean Energy Ministerial, urges companies to endorse its principles and take concrete action to accelerate gender equality in the energy sector.



**Carbon Disclosure Project (CDP)**

Sweco reports its greenhouse gas emissions through CDP, an independent, non-profit global organisation that coordinates collection of companies' self-reported climate data. CDP aspires to have companies use disclosed data to analyse their climate impact and proactively reduce direct and indirect emissions.

**International principles**

Sweco adheres to international principles related to sustainability topics. The following principles have been mentioned in the Annual Report:

- The FIDIC Code of Ethics, International Federation of Consulting Engineers
- The ILO Declaration on Fundamental Principles and Rights at Work, International Labour Organisation
- The Universal Declaration on Human Rights, United Nations
- The Paris Agreement under the United Nations Framework Convention on Climate Change
- Sustainable Development Goals, United Nations

# Sustainability Notes

## About the Sustainability Report

Sweco's sustainability report follows the financial year and is published annually. The previous sustainability report covering financial year 2020 was published in March 2021. Sweco's sustainability report for 2021 meets the requirements of the Swedish Annual Accounts Act as well as the expectations of Sweco's stakeholders, mainly owners, investors, analysts, employees and clients. Sweco has carried out a materiality analysis to determine the most relevant sustainability topics in our value chain.

The sustainability report has been prepared in accordance with the GRI Standards: Core option. The GRI index is presented on pages 45–47. Climate-related risks are assessed in accordance with TCFD recommendations. Sweco's ambition is to integrate sustainability into all operations and its sustainability reporting is therefore included in the structure of the annual report. This report also serves as our United Nations Global Compact, UNGC, Communication on Progress for 2021.

The statistics pertaining to climate and the environment were collected by experts in each business area and have been compiled by a data coordinator at Sweco Group. Collected data pertains in general to 2021. Data was estimated in cases where data was not available at the time of the report's publication.

The statistics pertaining to employees were compiled by the HR function and refer to figures as of 31 December 2021 for all companies in the Group, unless otherwise stated.

The statistics pertaining to business ethics were compiled by Group Legal Affairs and pertain to figures as of year-end 2021 for all companies in the Group, unless otherwise stated.

For information about sustainability at Sweco, contact Chief Sustainability Officer Andreas Gyllenhammar at [andreas.gyllenhammar@sweco.se](mailto:andreas.gyllenhammar@sweco.se). For information regarding our sustainability report, contact Group Head of Sustainability Communications Monica Welander at [monica.welander@sweco.se](mailto:monica.welander@sweco.se).

## Climate and environment

### Group greenhouse gas (GHG) emissions and Energy

	2021	Base year 2020 updated	Base year 2020 reported	Comments
<b>Scope 1 (direct emissions) – tonnes CO<sub>2</sub>e</b>	<b>5,472</b>	<b>8,016</b>	<b>7,346</b>	
Electricity	9	5	5	Own facilities
Heating and cooling	637	613	601	Own facilities
Mobility	4,826	7,398	6,740	Own vehicles
<b>Scope 2 (indirect emissions) – tonnes CO<sub>2</sub>e</b>	<b>9,149</b>	<b>10,340</b>	<b>7,515</b>	
Electricity	6,330	7,510	4,976	Purchased electricity
Heating and cooling	2,250	2,216	2,196	Purchased heating and cooling
Mobility	569	614	343	Electric vehicle charging at Sweco's premises
<b>Scope 3 (other indirect emissions) – tonnes CO<sub>2</sub>e</b>	<b>4,325</b>	<b>4,776</b>	<b>3,393</b>	Mandatory reporting for all Sweco's Business Areas (BA)
Mobility	3,422	3,816	3,388	Vehicles (rented, leasing)
Remote work electricity	898	955	N/A	Electricity remote work
Outsourced IT	5	5	5	Server halls etc.
<b>Scope 3 (additional indirect emissions) – tonnes CO<sub>2</sub>e</b>	<b>10,981</b>	<b>10,316</b>	<b>12,782</b>	Non-mandatory reporting for Sweco's Business Areas (BA)
Employee commuting	6,220	4,685	5,639	8 of 12 BA year 2021 (6 of 12)
Business travel (limited to hotel stays)	182	214	193	5 of 12 BA year 2021 (5 of 12)
Purchased goods and services	2,776	2,374	2,320	7 of 12 BA year 2021 (7 of 12)
of which, food and beverages	454	607	605	4 of 12 BA year 2021 (3 of 12)
Upstream transportation and distribution	98	86	75	3 of 12 BA year 2021 (3 of 12)
Waste generated in operations	273	308	221	6 of 12 BA year 2021 (5 of 12)
Fuel- and energy-related activities not included in Scope 1 or 2 (limited to well-to-tank)	1,152	1,426	3,121	4 of 12 BA year 2021 (2 of 12)
Investments	76	69	60	1 of 12 BA year 2021 (1 of 12)
Other	204	1,154	1,154	2 of 12 BA year 2021 (2 of 12)
<b>Mobility – tonnes CO<sub>2</sub>e</b>	<b>8,818</b>	<b>11,828</b>	<b>10,471</b>	
Aviation Scope 3	1,168	1,601	1,601	
Train Scope 3	53	71	71	
Public transport Scope 3	6	6	6	
Cars and vehicles Scope 1, 2 and 3	7,409	9,900	8,543	Cars, lorries and other vehicles
Maritime Scope 3	7	8	8	
Short-term vehicles services Scope 3	175	242	242	
<b>Office – tonnes CO<sub>2</sub>e</b>	<b>9,227</b>	<b>10,344</b>	<b>7,778</b>	Including Scope 1 and 2
Electricity	6,340	7,515	4,981	
Heating and cooling	2,887	2,829	2,797	
<b>Energy – MWh</b>	<b>50,160</b>	<b>45,810</b>	<b>51,462</b>	
<b>Electricity</b>	<b>27,452</b>	<b>30,777</b>	<b>28,801</b>	Including Scope 1 and 2
Renewable sources	9,497	8,490	13,128	
Non-renewable sources	15,336	19,495	15,673	All unknown energy sources accounted as fossil
Remote work electricity	2,619	2,792	0	
<b>Heating and cooling</b>	<b>22,708</b>	<b>15,033</b>	<b>22,661</b>	Including Scope 1 and 2
Renewable sources	4,861	1,091	1,240	
Non-renewable sources	17,847	13,942	21,421	All unknown energy sources accounted as fossil
Share of renewable energy, %	29	21	28	Electricity, heating and cooling
<b>Emission and energy intensity – FTE, SEK M</b>				
<i>Emission intensity</i>				
kg CO <sub>2</sub> e/ FTE	1,014	1,280	1,053	
kg CO <sub>2</sub> e/ SEK M	828	1,559	875	
<i>Energy intensity</i>				
kWh/ FTE	2,818	2,644	2,970	
kWh/ SEK M	2,302	2,196	2,467	

Remote work is defined as work that takes place outside of the office, with the exception of our clients' offices. Scope 2 has been calculated with the "market-based method" in accordance with the GHG protocol.

## Cont. Climate and environment

## Greenhouse gas (GHG) emissions per Business Area

	Emissions tonnes CO <sub>2</sub> e excl. remote work <sup>1</sup>			End year for climate neutrality
	2021	Base year 2020 updated	Base year 2020 reported	
<b>Sweco Business Area</b>				
Sweden	5,090	7,297	4,718	2030
Norway	1,951	2,479	2,479	2036
Finland	1,456	1,876	1,876	2030
Denmark	501	818	833	2040
Netherlands	2,161	2,257	2,721	2035
Belgium	1,054	938	938	2030
United Kingdom	426	812	812	2030
Germany and Central Europe	3,281	3,264	3,301	
Germany	1,763	1,924	1,913	2040
Czech Republic	299	259	307	2040
Poland	925	690	690	2040
Lithuania	210	293	293	2040
Bulgaria	84	98	98	2040
Group	92	572	572	2040
<b>Total</b>	<b>16,012</b>	<b>20,313</b>	<b>18,249</b>	

1) Includes emissions from mobility and office. Emissions from remote work are not included here due to the fact that Sweco does not control these emissions.

## Employees

## Sweco Group employees

Result	2021	2020	2019	2018
Total number of employees	19,129	18,552	18,148	16,422
Total full-time equivalents	17,802	17,328	16,412	15,306
<b>Employee turnover</b>				
Number of new employees (organic)	3,252	2,420	3,053	3,179
Number of new employees (acquisition)	339	498	1,234	391
Organic growth, %	1.4	-0.5	3.3	3.2
Acquisition growth, %	1.7	2.7	6.5	2.2
Total growth, %	3.1	2.2	10.5	5.4
Number of terminations on request	-2,445	-1,854	-1,952	-1,973
Voluntary employee turnover, %	13	10.1	11.3	12.3

## Employees by Business Area

Result	Total number	Women, %	Average age
Sweco Sweden	6,204	37	41
Sweco Norway	1,865	34	41
Sweco Finland	2,873	29	41
Sweco Denmark	1,376	31	44
Sweco Netherlands	1,529	23	42
Sweco Belgium	1,530	31	38
Sweco UK	1,214	30	40
Sweco Germany and Central Europe	2,487	44	42
Group	51	57	46
<b>Total Group</b>	<b>19,129</b>	<b>34</b>	<b>41</b>

## Employment length of employees

Result, %	2021	2020	2019	2018
<1 year	14	11	14	16
1–3 years	29	33	32	30
4–9 years	29	28	26	24
>10 years	27	28	28	30

## Employee breakdown by age

Result, %	2021	2020	2019	2018
<30 years	21	22	24	23
31–40 years	33	33	31	30
41–50 years	23	22	22	23
>50 years	23	23	23	24

## Health and safety

Result, %	2021	2020	2019	2018
Sickness absence	3.1	3.1	3.1	3.1

## Diversity of governance bodies and employees

Result, %	2021	2020	2019	2018
Females on Board of Directors, %	57	57	63	63
Females on Executive Team, %	54	50	43	42
Female employees, group-wide, %	34	33	33	32
Average age, group-wide, years	41	41	41	41

## Incidents of discrimination and corrective actions taken

Result employee survey	2021	2020	2019	2018
Number of employees responding Yes to the employee survey question, "Have you been harassed or bullied by a colleague/manager at work during the last 12 months?"	246 employees (1.8% of respondents)	321 employees (2.2% of respondents)	295 employees (2.2% of respondents)	N/A

In Sweco's 2021 employee survey, 246 employees or 1.8 per cent of respondents reported that they had experienced harassment or discrimination, a decrease of 30 per cent compared with 2020. Systematic assessments are conducted to ensure that necessary actions are taken continuously to strive for our zero vision, while encouraging our employees to report incidents.

## Performance evaluation and career development

Result, %	2021	2020	2019	2018
Percentage of employees receiving regular performance and career development reviews (Sweco Talk)	84.9	85.4	88.2	88.1

All employees are offered regular career development talks as part of Sweco Talk. Reported result refers to the percentage of employees who indicated in the employee survey that they had completed the 2021 performance review.

## Equal opportunities

Result, scale 1 to 5	2021	2020	2019	2018
In our working group, employees have equal opportunities regardless of differences (gender, age, etc.)	4.5	4.5	4.5	4.5
Colleagues in my working group show mutual respect for one another regardless of their differences	4.6	4.6	4.6	4.5
I can influence my own development	4.2	4.2	4.2	4.2
My manager supports my personal development by providing opportunities, challenges and coaching	4.2	4.1	4.2	4.1

Result based on Sweco's employee survey for 2021 on a scale from 1 (strongly disagree) to 5 (strongly agree).

## Ethics

Result, %	2021	2020	2019	2018
<b>Code of Conduct</b> per cent of Sweco employees confirming they have read and understood Sweco's Code of Conduct	95.3	89.3	90.0	94.1
<b>Internal Business Ethics training</b> per cent of Sweco employees required to complete internal business ethics training who have done so	94.1	87.0	86.0	92.6
<b>Ethics Line</b> number of compliance incidents reported through Sweco's Ethics Line	6	7	5	2

In 2021, six incidents were reported through Sweco's whistleblowing function. Incidents related to business ethics and employees were investigated during 2021 and necessary actions have been taken as a result of the incidents. Incident management of confirmed violations also includes evaluation of measures required to prevent similar incidents in the future.

# The EU taxonomy

## Reporting requirements for 2021

For the financial year 2021, EU taxonomy<sup>1</sup> reporting requirements are limited. As follows from the EU taxonomy regulation and the Disclosures Delegated Act,<sup>2</sup> companies, that fall under the Non-Financial Reporting Directive<sup>3</sup> and in relation to the Climate Delegated Act,<sup>4</sup> should disclose the following:

- share of turnover that is associated with taxonomy-eligible activities
- share of capital expenditures (CapEx)<sup>5</sup> that is associated with taxonomy-eligible activities and
- share of operational expenditures (OpEx)<sup>6</sup> that is associated with taxonomy-eligible activities.

For 2021, it is not yet required to do an assessment whether economic activities comply with the technical screening criteria and are, therefore, environmentally sustainable or taxonomy aligned. For this first limited reporting, the approach has been to develop instructions and reporting templates to be able to conduct the reporting of taxonomy-eligible activities at the business area level.

## Approach

Sweco has carefully reviewed the recommendations and reports from the Platform for Sustainable Finance, EU taxonomy regulation and the Climate Delegated Act in order to identify eligible economic activities for Sweco. The review has encompassed an analysis of the descriptions of the economic activities included in the Climate Delegated Act as well as an analysis of the accompanying NACE codes, M71<sup>7</sup> and J62-63.<sup>8</sup> However, there are also economic activities in the Climate Delegated Acts that are not directly covered by NACE codes. The review concluded that four main groups of eligible activities are relevant for Sweco Group, these being:

- Transport and infrastructure
- Construction and real estate, only economic activities related to building service systems, maintenance and repair activities and acquisition and ownership of buildings
- Information and communication
- Professional, scientific and technical activities

## Method and data collection

Since only eligible activities are to be reported for this first reporting period, no distinction was made between the two Delegated Acts of Climate Change Mitigation and Adaptation. Furthermore, it is mandatory in 2021 to report the share of net sales that is taxonomy-eligible, but it is not mandatory to report the breakdown of the share of taxonomy-eligible net sales per economic activity. However, Sweco has chosen to voluntarily disclose its net sales per

economic activity as far as currently possible. Some of the economic activities were combined into one group of activities, since it would have involved considerable difficulties in disaggregating some of the turnover figures within the existing timeframe as some revenue data would have to be analysed on project-by-project level.

Sweco delivers engineering and architecture services through projects within three areas: buildings and urban areas; water, energy and industry; and transportation infrastructure. In order to map its project revenues to the economic activities detailed in the EU taxonomy regulation, Sweco has analysed its revenue by different types of parameters such as project object and project competence delivered, client type and business units.

For Sweco, one of the major parts of CapEx related to eligible activities is acquisition and ownership of new offices and facilities. In addition, Sweco can disclose CapEx<sup>9</sup> or OpEx<sup>10</sup> related to Sweco Group's 2040 climate neutrality targets, which include low carbon targets, such as fossil-free office operations and electrified car fleet.

## Analysis and results

About 35 per cent of Sweco's total 2021 net sales are eligible economic activities according to the EU taxonomy, where 20 per cent is within infrastructure for road, public and water transport and 9 per cent within infrastructure for rail. See table 1 for share of net sales per economic activity. This is reasonable and in line with Sweco's expectations, since 32 per cent of Sweco's net sales are within the transportation infrastructure service.

A small share of net sales within the building and urban areas sector is taxonomy-eligible. The reason for that is that only activities covering building service systems, maintenance and repair of energy efficiency equipment, instruments and devices for measuring, regulation and controlling energy performance of buildings are eligible for reporting. Sales related to activities such as design and structural engineering, project management, etc. are not eligible for Sweco.

It is worth noting that net sales that relate to economic activities such as market research, development and innovation, research and development for direct air capture of CO<sub>2</sub> and engineering activities dedicated to adaptation to climate change, have been difficult to extract. These types of net sales are often integrated into the other services that Sweco provides to its clients and therefore difficult to extract separately.

Around 65 per cent of total net sales during 2021 are non-eligible activities. This includes net sales within energy, industry and manufacturing; water and waste management activities; and design and engineering services within buildings and urban areas, etc. There are also economic activities that Sweco provides services within but that are not (yet) covered by the EU taxonomy, such as agriculture, manufacture of pulp and paper, manufacture of food and beverages.

**Table 1. Proportion of net sales per eligible activity during 2021 (SEK M)**

	Code(s)	Absolute net sales, SEK M	Share of net sales, %
<b>A. Net sales (taxonomy-eligible activities)</b>			
Infrastructure for rail transport	6.14	1,899	8.7
Infrastructure enabling road transport, public transport and water transport	6.15, 6.16	4,319	19.8
Installation, maintenance and repair of energy efficiency equipment, instruments and devices for measuring, regulation and controlling energy performance of buildings	7.3, 7.4	273	1.3
Installation, maintenance and repair of renewable energy technologies such as solar panels, charging stations for electric vehicles in buildings, etc.	7.5, 7.6	181	0.8
Energy performance of buildings	9.3	158	0.7
Data processing, hosting and data-driven solutions for GHG emissions reductions	8.1, 8.2	418	1.9
Market research, development and innovation	9.1, 9.2	19	0.1
Research and development for direct air capture of CO <sub>2</sub>	9.2	4	0.0
Engineering activities and related technical consultancy dedicated to adaptation to climate change	9.1	266	1.2
<b>Total</b>		<b>7,535</b>	<b>34.6</b>
<b>B. Net sales (taxonomy non-eligible activities)</b>			
Net sales		14,257	65.4
<b>TOTAL (A + B)</b>		<b>21,792</b>	<b>100</b>

Sweco also reports on eligible activities that relate to capital expenditures (CapEx) and operational expenditures (OpEx) that in different ways relate to investments Sweco has made in measurements towards climate neutrality at the company. This includes activities related to improvements and measurements in Sweco offices and assets as well as in acquisition and ownership of new offices and facilities.

During 2021, around 42 per cent of the total CapEx are eligible activities according to the

EU taxonomy and of that, about 31 per cent relates to acquisition of new offices and 10 per cent<sup>11</sup> relates to investments in fossil-free car fleet.

Around 58 per cent of the total CapEx are non-eligible activities. This includes all other investments, mainly IT equipment and other office equipment, and additions to assets through acquisitions.

**Table 2. CapEx of EU taxonomy-eligible activities during 2021 (SEK M)**

A. CapEx (taxonomy-eligible activities)	Code(s)	Absolute CapEx, SEK M	Share of CapEx, %
Installation, maintenance and repair of energy efficiency equipment, instruments and devices for measuring, regulation and controlling energy performance of buildings	7.3, 7.4	2	0.1
Installation, maintenance and repair of renewable energy technologies such as solar panels, electric vehicles in buildings, etc.	7.5, 7.6	0	0.0
Investments in fossil-free car fleet	Voluntary	116	9.9
Other activities of relevance	Voluntary	6	0.5
Acquisition and ownership of buildings	7.7	366	31.3
<b>Total (taxonomy-eligible activities)</b>		<b>489</b>	<b>41.9</b>
<b>B. CapEx (taxonomy non-eligible activities)</b>			
CapEx		679	58.1
<b>TOTAL CAPEX (A + B)</b>		<b>1,168</b>	<b>100</b>

For 2021, Sweco has reported SEK 48 million of OpEx that fall within the definition of OpEx according to the Disclosure Delegated Act. This amount includes short-term leases, maintenance and repair costs and R&D costs. Around 34 per cent of the OpEx are eligible activities

according to the EU taxonomy; see table 3. This includes primary activities related to internal projects in research, technical development, innovation and sustainability activities in Sweco Sweden.

**Table 3. OpEx of EU taxonomy-eligible activities during 2021 (SEK M)**

A. OpEx (taxonomy-eligible activities)	Code(s)	Absolute OpEx, SEK M	Share of OpEx, %
Installation, maintenance and repair of energy efficiency equipment, instruments and devices for measuring, regulation and controlling energy performance of buildings	7.3, 7.4	0	0.2
Installation, maintenance and repair of renewable energy technologies such as solar panels, electric vehicles in buildings, etc.	7.5, 7.6	0	0.4
Other activities of relevance	Voluntary	16	33.3
<b>Total (taxonomy-eligible activities)</b>		<b>16</b>	<b>33.9</b>
<b>B. OpEx (taxonomy non-eligible activities)</b>			
OpEx		31	66.1
<b>TOTAL OPEX (A + B)</b>		<b>48</b>	<b>100</b>

1) European Commission, EU Taxonomy Regulation 2020/852, 2020.

2) European Commission, Commission Delegated Regulation 2021/2178, 2021.

3) European Commission, Non-financial Reporting Directive (NFRD) 2014/95/EU, 2014. This directive amends the Accounting Directive 2013/34/EU.

4) European Commission, Commission Delegated Regulation 2021/2139, 2021.

5) CapEx are costs included in capital expenditures related to environmental objectives as well as target activities to become low carbon or to lead to greenhouse gas reductions.

6) OpEx are operating costs related to purchase of output from individual measures enabling the target activities to become low carbon or to lead to greenhouse gas reductions as well as individual building renovation measures.

7) M71 covering economic activities such as architectural and engineering activities and related technical consultancy, including the provision of architectural services, engineering services, drafting services, building inspection services and surveying and mapping services and the like.

8) J62-63 describing consulting services relating to data programming, processing and management.

9) The CapEx amount, according to the Disclosure Delegated Annex 1, should be calculated as follows. Total CapEx (in the denominator of the CapEx KPI) shall cover additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. The denominator shall also cover additions to tangible and intangible assets resulting from business combinations. For companies applying international financial reporting standards (IFRS) as adopted by Regulation (EC) 1126/2008, CapEx shall cover costs that are accounted based on: IFRS 16 Leases, paragraph 53, point (h), which refers to the additions to right-of-use assets. Leases that do not lead to the recognition of a right-of-use over the asset shall not be counted as CapEx.

10) The OpEx amount (to be used in the denominator of the OpEx KPI) shall cover direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. Companies that apply national GAAP and are not capitalising right-of-use assets shall include lease costs in the OpEx in addition to the costs listed in the first subparagraph of point 1.1.3.1. of this Annex. This means that the OpEx amount does not cover all the operating expenses of Sweco Group; only a very small portion will fall into the above-mentioned categories.

11) Including all CapEx activities related to cars during 2021.

# Task Force on Climate-related Financial Disclosures



The Task Force on Climate-related Financial Disclosures, TCFD, is a market-driven initiative aimed at developing recommendations for reporting climate-related risks and opportunities. Reporting according to TCFD is voluntary. For the second year, Sweco has prepared the company's reporting in accordance with the recommendations in the TCFD framework to describe how we work strategically with climate-related risks

and opportunities. The table below describes the scope of the reporting with regard to governance, strategy, risk management, metrics and targets based on TCFD's guidelines. Page references are made to each area in the sustainability report. In 2021, Sweco continued to assess climate-related risk and opportunities, which are presented on page 12.

TCFD's Recommended and Supporting Recommended Disclosures	Page	Comment
<b>GOVERNANCE</b>		
Describe the board's oversight of climate-related risks and opportunities.	10–11	
Describe management's role in assessing and managing climate-related risks and opportunities.	10–11	
<b>STRATEGY</b>		
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	12	
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	12	
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.		Sweco has not yet tested the resilience of our strategy in relation to different climate-related scenarios based on science-based reports from IPCC and others.
<b>RISK MANAGEMENT</b>		
Describe the organisation's processes for identifying and assessing climate-related risks.	10–12	
Describe the organisation's processes for managing climate-related risks.	10–12	
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	10–12 (130–131 in ASR <sup>1</sup> )	
<b>METRICS AND TARGETS</b>		
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	30–31	
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	32, 40–41	
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	32, 40–41	

1) Page reference to the 2021 Annual and Sustainability Report

# Global Reporting Initiative Content Index

Focus areas and material topics	Sweco Group's value creation chain				
	Supplier	Sweco	Business partners	Clients	Society
<b>CLIMATE AND EXTERNAL ENVIRONMENT</b>					
Climate mitigation and adaption	✓	✓		✓	✓
Biodiversity	✓			✓	✓
Energy efficiency, sources and systems	✓	✓		✓	✓
Water				✓	✓
Waste and circularity	✓	✓		✓	✓
Air quality				✓	✓
<b>EMPLOYEES</b>					
Diversity and equality		✓			
Health and safety		✓			
<b>BUSINESS ETHICS</b>					
Human rights	✓	✓	✓	✓	
Business ethics	✓	✓	✓	✓	
Supply chain management	✓	✓			

GRI Standard	Disclosure	Page	Comment
<b>GRI 102: GENERAL DISCLOSURES</b>			
<b>GRI 102: GENERAL DISCLOSURES 2016</b>			
<b>ORGANISATIONAL PROFILE</b>			
102-1	Name of the organisation	(66 in ASR <sup>1</sup> )	
102-2	Activities, brands, products, and services	16–21 (14–17, 105–107 in ASR <sup>1</sup> )	
102-3	Location of headquarters	(66 in ASR <sup>1</sup> )	
102-4	Location of operations	(66 in ASR <sup>1</sup> )	
102-5	Ownership and legal form	(72, 125 in ASR <sup>1</sup> )	
102-6	Markets served	(2, 14–17 in ASR <sup>1</sup> )	
102-7	Scale of the organisation, including total number of employees, operations, net sales, and capitalisation	(66–67 in ASR <sup>1</sup> )	
102-8	Information on employees and other workers	22–29, 41 (95 in ASR <sup>1</sup> )	Most of Sweco's employees are employed permanently and full-time. Part-time employment is usually associated with parental leave. Regional differences may occur due to national legislation.
102-9	Supply chain	36	Sweco has a limited supply chain. Our main impact is made in client projects and collaborations with other parties.
102-10	Significant changes to the organisation and its supply chain	36 (9, 105–106 in ASR <sup>1</sup> )	No significant changes to the organisation's size, structure, ownership, or supply chain have occurred during the year.
102-11	Precautionary Principle or approach	39	Sweco is a signatory to the UN Global Compact whose environmental risks include the precautionary principle.
102-12	External initiatives	39	
102-13	Membership of associations	39	
<b>STRATEGY AND ANALYSIS</b>			
102-14	Statement from senior decision-maker	(4–5, 12 in ASR <sup>1</sup> )	
102-15	Key impacts, risks, and opportunities	4–5, 12 (75–76, 130–131 in ASR <sup>1</sup> )	
<b>ETHICS AND INTEGRITY</b>			
102-16	Values, principles, standards, and norms of behaviour	10–11, 34–36 (10–11 in ASR <sup>1</sup> )	
102-17	Mechanisms for advice and concerns about ethics	34–36	

1) Page reference to the 2021 Annual and Sustainability Report

GRI Standard	Disclosure	Page	Comment
<b>GOVERNANCE</b>			
102-18	Governance structure	(72–77 in ASR <sup>1</sup> )	
<b>STAKEHOLDER ENGAGEMENT</b>			
102-40	List of stakeholder groups	9	
102-41	Collective bargaining agreements	36	Sweco has collective bargaining agreements.
102-42	Identifying and selecting stakeholders	9	
102-43	Approach to stakeholder engagement	9	
102-44	Key topics and concerns raised	8–9	
<b>REPORTING METHODOLOGY</b>			
102-45	Entities included in the consolidated financial statement	(66–67 in ASR <sup>1</sup> )	
102-46	Defining report content and topic boundaries	40	Report is based on Sweco operations and the boundaries of the report have been established with the help of the GRI principles for reporting and quality.
102-47	List of material topics	8	
102-48	Restatements of information	32, 40–41	Climate emissions for base year 2020 have been updated in this year's report.
102-49	Changes in reporting	8, 40–43	No significant changes from previous reporting periods in the list of material topics and topic boundaries. Our reporting is also more comprehensive than previous years; for example, in relation to our GHG reporting, employees and EU taxonomy.
102-50	Reporting period	40	
102-51	Date of most recent report	40	
102-52	Reporting cycle	40	
102-53	Contact point for questions regarding the report	40	
102-54	Claims of reporting in accordance with the GRI Standards	40	
102-55	GRI content index	45–47	
102-56	External assurance	47	This report has not been audited by an external party. In accordance with requirements of the Swedish Annual Accounts Act our auditors confirm that we have prepared a statutory sustainability report.

### GRI 103: MANAGEMENT APPROACH

#### GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundary	8	
103-2	The management approach and its components	10–11	
103-3	Evaluation of the management approach	10–11	

### SPECIFIC DISCLOSURE GRI 200: ECONOMIC TOPICS

#### GRI 205: ANTI-CORRUPTION 2016

205-1	Operations assessed for risks related to corruption	34–36	
205-2	Communication and training about anti-corruption policies and procedures	34–36	
205-3	Confirmed incidents of corruption and actions taken	34–36, 41	We have no confirmed cases of corruption in 2021.

#### GRI 206: ANTI-COMPETITIVE BEHAVIOUR 2016

206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	34–36	We have no known cases in 2021.
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1) Page reference to the 2021 Annual and Sustainability Report

GRI Standard	Disclosure	Page	Comment
<b>SPECIFIC DISCLOSURE GRI 300: ENVIRONMENTAL TOPICS</b>			
<b>GRI 302: ENERGY 2016</b>			
302-1	Energy consumption within the organisation	40	
302-3	Energy intensity	40	
<b>GRI 305: EMISSIONS 2016</b>			
305-1	Direct (Scope 1) GHG emissions	40	
305-2	Indirect (Scope 2) GHG emissions	40	
305-3	Other indirect (Scope 3) GHG emissions	40	
305-4	GHG emission intensity	40	
<b>SPECIFIC DISCLOSURE GRI 400: SOCIAL TOPICS</b>			
<b>GRI 401: EMPLOYMENT 2016</b>			
401-1	New employee hires and employee turnover	41 (95 in ASR <sup>1</sup> )	
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018</b>			
403-9	Work-related injuries	41	For Sweco the most important topic is sickness, which is measured in sickness absence.
<b>GRI 404: TRAINING AND EDUCATION 2016</b>			
404-1	Average hours of training per year per employee	22–29	Sweco is not reporting on average number of training hours, but reports that training is offered to all our people from day one.
404-2	Programmes for upgrading employee skills and transition assistance programs	22–29	
404-3	Percentage of employees receiving regular performance and career development reviews	41	As part of Sweco Talk all employees are offered continuous employee performance reviews.
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016</b>			
405-1	Diversity of governance bodies and employees	22–29, 41	
<b>GRI 406: INCIDENTS AND DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN 2016</b>			
406-1	Incidents of discrimination and corrective actions taken	22–29, 41	
<b>GRI 412: HUMAN RIGHTS ASSESSMENT 2016</b>			
412-1	Operations that have been subject to human rights reviews or impact assessments	22–29	
412-2	Employee training on human rights policies or procedures	22–29, 41	Training in human rights is included as part of Sweco's training in business ethics issues.

1) Page reference to the 2021 Annual and Sustainability Report

# Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Sweco AB (publ), corporate identity number 556542-9841

## Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2021 on pages 18–65 in the Annual and Sustainability Report and that it has been prepared in accordance with the Annual Accounts Act.

## The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

## Opinion

A statutory sustainability report has been prepared.

Stockholm, 18 March 2022  
PricewaterhouseCoopers AB

Aleksander Lyckow  
Authorised Public Accountant

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